

TAB 182

In The Matter Of:

AHERF v.
PRICEWATERHOUSECOOPERS

RONALD DAVENPORT

April 20, 2004

LEGALINK MANHATTAN
420 Lexington Avenue - Suite 2108
New York, NY 10170
PH: 212-557-7400 / FAX: 212-692-9171

DAVENPORT, RONALD - Vol.



<p>1 MR. UNICE: Object to form.</p> <p>2 A. I have no idea.</p> <p>3 Q. And I take it you don't recall actually doing</p> <p>4 that?</p> <p>5 A. No, no.</p> <p>6 MR. UNICE: Object to form.</p> <p>7 A. That's correct.</p> <p>8 Q. Do you recall seeing this page at all?</p> <p>9 A. I do not.</p> <p>10 Q. Okay. You can put that document aside.</p> <p>11 Do you recall that AHERF had outside</p> <p>12 auditors during the time that you were on the</p> <p>13 board?</p> <p>14 A. Yes.</p> <p>15 Q. And do you recall a Mr. Bill Buettner who was</p> <p>16 one of those auditors?</p> <p>17 A. Not really, at least not by name.</p> <p>18 Q. Do you recall an auditor, an outside auditor, a</p> <p>19 person from Coopers & Lybrand --</p> <p>20 A. Yes.</p> <p>21 Q. -- being at any of the AHERF trustee meetings?</p> <p>22 A. Vaguely, yes.</p> <p>23 Q. Did you ever have any discussions with any</p> <p>24 Coopers & Lybrand people with respect to AHERF</p> <p>25 outside of the context of one of these</p>	Page 85					Page 87
<p>1 meetings?</p> <p>2 A. I did not.</p> <p>3 Q. And by one of these meetings, I meant the AHERF</p> <p>4 board of trustees' meetings.</p> <p>5 A. Yes.</p> <p>6 Q. Let me just go back to Exhibit 1661, which are</p> <p>7 the 1996 audited financials.</p> <p>8 A. Okay.</p> <p>9 Q. If you go to the page ending in 1606 --</p> <p>10 A. Okay.</p> <p>11 Q. -- it says, Report of independent accountants.</p> <p>12 A. Mm-hmm.</p> <p>13 Q. And there's a signature of Coopers & Lybrand at</p> <p>14 the bottom. If you could just read this page</p> <p>15 to yourself, and then I'll ask you a couple</p> <p>16 questions about it.</p> <p>17 ----</p> <p>18 (The witness reviewed the Exhibit.)</p> <p>19 ----</p> <p>20 A. Okay.</p> <p>21 Q. Is your understanding of the role of Coopers &</p> <p>22 Lybrand in auditing the financial statements of</p> <p>23 AHERF any different from what is written here</p> <p>24 in this report of independent accountants?</p> <p>25 MR. UNICE: Object to form.</p>	Page 86					Page 88

<p>1 difficult as time progressed because of the 2 growing complexities of -- 3 A. Yes. 4 Q. -- the organization? 5 MR. UNICE: Object to form, lack of 6 foundation as to other boards he wasn't on. 7 Q. Do you consider Mr. Abdelhak to be someone who 8 was open to other people's suggestions? 9 A. Somewhat. He was very opinionated, very strong 10 in his opinions. He did not like dissent, but 11 he was solicitous of board members. 12 Q. You can put that document aside. 13 Let's mark this exhibit as Exhibit 14 2553, and it's Bates numbered PR-PLD-020-02016 15 through 02021. 16 ---- 17 (Exhibit 2553 marked for identification.) 18 ---- 19 Q. It says trustees' evaluation at the top. 20 A. Okay. 21 Q. And I'll represent to you that this came from a 22 stack of evaluations that were behind a tab 23 that said 1994 trustee evaluations, and this is 24 the only one I've seen that's actually typed 25 up, but is that your signature on the last</p>	Page 89	<p>1 A. No. 2 Q. -- filling this one out? 3 A. No, and I would -- I cannot imagine my having 4 my name typed. 5 Q. Well, do you have any explanation for this 6 document then? 7 A. None, but I can't imagine my name would be 8 typed. 9 Q. Just for the record, why don't you read through 10 this document and let me know if there's 11 anything that you see -- 12 A. From 1995? 13 Q. Yes. If there's anything that you see that you 14 would not agree with, that stands out as 15 something you would not have put down here. 16 MR. UNICE: That he could look now 17 that he wouldn't have agreed with in 1995? 18 MR. FRIESEN: That he now thinks that 19 he wouldn't have agreed with in 1995. 20 A. As an example, there's a question mark under 21 the meetings. 22 Q. Yes. 23 A. I don't know why I would do that. 24 Q. Okay. 25 A. Another line says I would want more meetings.</p>	Page 91
<p>1 page? 2 A. That is my signature. 3 Q. And do you recall typing or instructing someone 4 to type up a trustee evaluation? 5 A. I do not recall, but that is my signature. 6 Q. Do you remember receiving a trustee evaluation 7 at any time that was in this form? 8 A. No. 9 Q. But I take it that since you signed this, you 10 have no reason to dispute that you submitted 11 this at some point? 12 A. I have no reason to dispute it. That is my 13 signature, unless it was taken from some other 14 page. 15 Q. Okay. Let me show you another document then 16 which says -- well, this is Exhibit 2554. 17 ---- 18 (Exhibit 2554 marked for identification.) 19 ---- 20 A. Okay. 21 Q. This one says 1995, trustees' evaluation? 22 A. Mm-hmm. 23 Q. Now, your name is typed on this one at the end. 24 A. Okay. 25 Q. And do you recall --</p>	Page 90	<p>1 I know I wouldn't say that. 2 Q. Okay. Anything else? 3 A. I would not have said that I would want fewer 4 meetings that lasted longer, no. Site visits, 5 not necessarily. The line which has No. 2 on 6 education is the same as what I said in 1994. 7 I see under (c) I put an X in both. 8 Q. I'm sorry, say that again? 9 A. Under No. 3 under education, there's an X in 10 both system-wide and individual, I would never 11 have done that, or every three to five years. 12 I would not put question marks by my time 13 commitments or question marks about the time I 14 spent is appropriate. Okay. That's about it. 15 MR. FRIESEN: Okay. Let me take a 16 break, and I might be done fairly soon, okay? 17 THE VIDEOGRAPHER: We are going off 18 the record at 12:10. 19 ---- 20 (There was a recess in the proceedings.) 21 ---- 22 THE VIDEOGRAPHER: We are back on the 23 record at 12:25. 24 BY MR. FRIESEN: 25 Q. Mr. Davenport, have you met with anyone from</p>	Page 92

<p>1 Jones Day about this deposition?</p> <p>2 A. No.</p> <p>3 MR. FRIESEN: Okay. I don't have any</p> <p>4 further questions at this time. I may have</p> <p>5 some more after he's done with you. Thank you</p> <p>6 very much for coming in.</p> <p>7 ----</p> <p>8 EXAMINATION</p> <p>9 ----</p> <p>10 BY MR. UNICE:</p> <p>11 Q. Good afternoon, Mr. Davenport. Again, my name</p> <p>12 is John Unice. I'm here for the Plaintiff, the</p> <p>13 Official Committee of Unsecured Creditors of</p> <p>14 AHERF.</p> <p>15 Earlier on this morning you listed I</p> <p>16 think to the best of your recollection some of</p> <p>17 the other nonprofit boards on which you served,</p> <p>18 and correct me if I'm wrong, but they are the</p> <p>19 National Urban League, the National Chamber of</p> <p>20 Commerce and the Heinz Historical Foundation?</p> <p>21 A. The list was in the '80s he asked me.</p> <p>22 Q. Okay.</p> <p>23 A. The '80s, the National Urban League, the U.S.</p> <p>24 Chamber of Commerce, but not Heinz. Heinz</p> <p>25 History came in the '90s.</p>	Page 93			Page 95
<p>1 Q. Okay. Besides those three, any other</p> <p>2 involvement on your end in nonprofit boards</p> <p>3 that you haven't told us today?</p> <p>4 A. The Committee on Economic Development, CED.</p> <p>5 That's all I can think of.</p> <p>6 Q. What is the Committee on Economic Development?</p> <p>7 Where is that located?</p> <p>8 A. It's a group of businessmen, 200 businessmen,</p> <p>9 made up of corporate leaders from all over the</p> <p>10 country. It's located in New York.</p> <p>11 Q. What is the length of your tenure on that</p> <p>12 board?</p> <p>13 A. Oh, since about 1978.</p> <p>14 Q. And you are currently a member, sir?</p> <p>15 A. Yes.</p> <p>16 Q. So aside from AHERF-related entities, there are</p> <p>17 four other --</p> <p>18 A. That's right.</p> <p>19 Q. -- entities on which you served as a nonprofit</p> <p>20 trustee.</p> <p>21 I believe you shared with Mr. Friesen</p> <p>22 earlier on your view that the role of a</p> <p>23 nonprofit board member are mainly twofold:</p> <p>24 One, to select the organization's chief</p> <p>25 executive officer; correct?</p>	Page 94			Page 96

TAB 183

In The Matter Of:

***UNSECURED CREDITORS OF ALLEGHENY HEALTH,
EDUCATION & RESEARCH FOUNDATION v.
PRICEWATERHOUSECOOPERS***

ROBERT L. FLETCHER
September 15, 2003

LEGALINK MANHATTAN
420 Lexington Avenue - Suite 2108
New York, NY 10170
PH: 212-557-7400 / FAX: 212-692-9171

FLETCHER, ROBERT L. - Vol.



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ROBERT L. FLETCHER

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1 MR. UNICE: Same objections.	1 A. I recall being at the meeting, yes.
2 Q. Let me show you a document that's been marked	2 Q. How far in advance of the AHERF board meetings
3 as Exhibit 1656. This is a very long, whopper	3 would you usually get the board materials for
4 of a document.	4 that meeting?
5 A. I had arrived at the same conclusion.	5 A. I -- I really don't recall.
6 Q. It's a board book for an AHERF meeting of the	6 Q. Now, if you go to page 21, again, referring to
7 board of trustees. The meeting is dated	7 the large numbers at the top, and this is part
8 October 30th, 1997. You'll see on the second	8 of the financial statements that we were
9 page, Mr. Fletcher, your name is listed there	9 talking about earlier, the draft financial
10 as a member of the -- of the board. Do you see	10 statements for fiscal year '97, do you see that
11 that?	11 it says net income, 21,926,000?
12 A. Mm-hmm.	12 A. Yes.
13 Q. Let me point you towards some specific pages,	13 Q. Do you know from looking at this how you would
14 and then I'll ask you if you remember receiving	14 arrive at the operating income or operating
15 them at or around this time, and, again, you	15 loss, which doesn't appear to be on here?
16 can look at as much of this document as you	16 MR. UNICE: Objection, form and
17 want to.	17 foundation.
18 If you would go to page 17, referring	18 A. No, I don't
19 to the large numbers at the top.	19 Q. Well, if you took out the investment income,
20 A. Yes.	20 you see investment income near the top?
21 Q. It says Draft, and then it says, Consolidated	21 A. Yes.
22 financial statements for the year ended June	22 Q. And net assets released from restrictions used
23 30th, 1997.	23 for operations, do you see that?
24 A. Mm-hmm	24 A. Yes.
25 Q. And there are a number of pages that follow.	25 Q. If you take those two numbers and you add them
Page 118	Page 120
1 Do you recall seeing the draft consolidated	1 together and then you subtract them from the
2 financial statements for fiscal '97 at or	2 net income, would that be an approximation of
3 around October of 1997?	3 the operating loss?
4 A. Generally I would recall it.	4 MR. UNICE: Objection, form and
5 Q. Just to be clear, do you recall actually seeing	5 foundation.
6 these particular financial statements?	6 A. I would assume that that's correct.
7 A. I was at the meeting. If -- if you say that	7 Q. Do you -- let me ask you, do you recall seeing
8 these were passed out at the meeting, if they	8 this particular page?
9 were passed out at the meeting, I was at the	9 A. No.
10 meeting, I must have seen them.	10 Q. Now, you said that you recall being at the
11 MR. McCLENAHAN: If I can help. His	11 board meeting where these financial, draft
12 question is do you remember as you sit here	12 financial statements were presented. What do
13 today in 2003, do you remember seeing these	13 you remember about that meeting, if anything?
14 financial statements at that meeting in October	14 MR. UNICE: Objection.
15 of '97.	15 A. Nothing specifically.
16 THE WITNESS: No.	16 MR. McCLENAHAN: I think you already
17 Q. Okay. These are actually part of the board	17 went through an exhibit that reflected part of
18 book that would be sent out prior to the	18 what went on in this meeting, may have been
19 meeting; is that right?	19 minutes of the meeting. I don't know.
20 MR. UNICE: Objection.	20 Q. Do you recall any discussion at the October 30,
21 A. Presumably.	21 1997 board meeting about the results for fiscal
22 Q. And you recall being at the meeting; is that	22 year 1997?
23 right?	23 MR. UNICE: Object to form.
24 A. Yeah.	24 A. Specifically, no.
25 Q. I'm sorry?	25 Q. You can put this aside, and I'll show you

ROBERT L. FLETCHER

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<p>1 another document that's previously been marked 2 Exhibit 1653.</p> <p>3 Now, this is a board book or 4 committee book for the meeting of the audit 5 committee of AHERF for a meeting on October 6 15th, 1997. Now, we know that you were not on 7 the audit committee --</p> <p>8 A. Correct.</p> <p>9 Q. -- is that correct? I'd like to have you look 10 at page 70 -- actually page 68, again, the 11 large numbers at the top.</p> <p>12 A. Mm-hmm.</p> <p>13 Q. And if you'd actually flip to the previous 14 page, page 67, you'll see this is the beginning 15 of the Coopers & Lybrand management letter and 16 AHERF management response</p> <p>17 Even though you weren't on the audit 18 committee, did you ever see in -- well, did you 19 ever see at any time this Coopers & Lybrand 20 management letter and AHERF management 21 response?</p> <p>22 A. No.</p> <p>23 MR. McCLENAHAN: You haven't even 24 shown him the letter yet</p> <p>25 Q. Well, this is the beginning of the letter, and</p>	<p>1 time it appeared that things were not going 2 according to a plan that I had not seen in 3 detail.</p> <p>4 Q. And when roughly was that?</p> <p>5 A. I would say as a general point of demarcation 6 mid-'97</p> <p>7 Q. Now, had you heard at any time prior to his 8 termination anyone else voice any concerns 9 about Mr. Abdelhak's integrity?</p> <p>10 A. No.</p> <p>11 Q. Did you consider Mr. Abdelhak to be someone who 12 was open to other people's suggestions?</p> <p>13 A. Yes, that's as opposed to no.</p> <p>14 Q. Do you need to explain that a little bit or --</p> <p>15 A. I -- I can't honestly answer yes without saying 16 that because I have no idea of how many 17 suggestions people have made to him that I saw 18 manifested eventually.</p> <p>19 Q. Okay. Well, speaking about your own personal 20 experience, did you feel comfortable making 21 suggestions to him?</p> <p>22 A. Yes.</p> <p>23 Q. Did you ever make a suggestion to him that you 24 thought was contrary to his own way of 25 thinking?</p>
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<p>1 please feel free to -- to go through it.</p> <p>2 A. Well, I didn't see the letter so --</p> <p>3 Q. Just to be doubly sure, if you look at page 70 4 where the letter continues, it says General 5 Overview.</p> <p>6 A. All right.</p> <p>7 Q. This is all part of the letter, and I just 8 wanted to make sure if you look at this that 9 you can confirm that you haven't seen it or 10 maybe you have seen it?</p> <p>11 A. I have not seen it.</p> <p>12 Q. Okay. Good. You can put that aside.</p> <p>13 A. Just occurred to me if I stack this up in front 14 of me that reasonably soon I would no longer be 15 videotaped.</p> <p>16 Q. You can build an igloo.</p> <p>17 While you were affiliated with AHERF, 18 what was your view of the integrity of 19 Mr. Abdelhak? And if it changed over time, 20 then let me know that.</p> <p>21 A. From my initial meeting with him until the time 22 he was no longer affiliated?</p> <p>23 Q. Correct.</p> <p>24 A. I would say I was impressed with his 25 credentials and his performance up until the</p>	<p>1 MR. UNICE: Object to form.</p> <p>2 A. No.</p> <p>3 Q. What was your view of the integrity of 4 Mr. McConnell during the same time period, 5 while you were on the AHERF board until his 6 termination? And if it changed, then let me 7 know.</p> <p>8 A. Probably comparable.</p> <p>9 Q. Meaning that it changed for the worse at around 10 the same time that it did for Mr. Abdelhak?</p> <p>11 A. Yes.</p> <p>12 Q. Were you on the executive committee when 13 Mr. Abdelhak was terminated?</p> <p>14 A. Yes.</p> <p>15 Q. And why was he terminated?</p> <p>16 A. I would have to say in as few words as possible 17 a gross dissatisfaction with his -- his 18 performance.</p> <p>19 Q. Were you involved with the decision as to who 20 his replacement would be?</p> <p>21 A. Yes.</p> <p>22 Q. And he was replaced by Mr. Sanzo?</p> <p>23 A. Yes.</p> <p>24 Q. How was Mr. Sanzo chosen to -- to be the one 25 who would replace Mr. Abdelhak?</p>

ROBERT L. FLETCHER

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<p>1 A. How was he chosen?</p> <p>2 Q. Right. Let me clarify that Why Mr. Sanzo 3 instead of anyone else?</p> <p>4 A. Basically because of the need for someone to 5 step into that position very quickly and is 6 experienced with the components of the system.</p> <p>7 Q. At the time he was replacing Mr. Abdelhak, did 8 you have a view as to any -- any differences in 9 the way they thought the organization should be 10 run going forward between Mr. Abdelhak and 11 Mr. Sanzo?</p> <p>12 MR. UNICE: Object to form.</p> <p>13 A. At the time that the decision was made to 14 select him as the replacement?</p> <p>15 Q. Right.</p> <p>16 A. No.</p> <p>17 Q. While you were on the AHERF board, did you have 18 any concerns about the number of members on the 19 board, meaning that there were too many or too 20 little?</p> <p>21 MR. UNICE: Object to form.</p> <p>22 A. Yes.</p> <p>23 Q. And what were your concerns?</p> <p>24 A. Well, they -- they came from my experience with 25 a much more small board, much smaller board and</p>	<p>1 Forbes board was that the smaller group was 2 resultant in the reasonable degree of 3 participation among board members.</p> <p>4 Did you feel that there was not a 5 reasonable degree of participation among the 6 board members of AHERF's board because there 7 were too many people on the board?</p> <p>8 MR. UNICE: Object to form.</p> <p>9 A. I guess that is relevant.</p> <p>10 Q. I'm sorry, you guess that's relevant?</p> <p>11 A. I said I guess that was a relevant 12 consideration.</p> <p>13 Q. Did you believe at any time that there were too 14 many committees of the AHERF board?</p> <p>15 MR. UNICE: Object to form</p> <p>16 A. No</p> <p>17 Q. Did you believe that you received the materials 18 in advance of the board meetings in enough time 19 so you would have time to read through them?</p> <p>20 A. I'm a slow reader.</p> <p>21 Q. I don't know if that's a no or if it's just you are a slow reader?</p> <p>22 A. Well, depends on the gross of the material. If 24 you've got this a day before (indicating), it's 25 probably not sufficient time.</p>
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<p>1 a reasonable degree of participation by all the 2 members of the board.</p> <p>3 Q. That was your experience at Forbes?</p> <p>4 A. Yes, or they didn't serve on the board.</p> <p>5 Q. And was this always a concern of yours at 6 AHERF, or did it become a concern at some point 7 after you joined?</p> <p>8 MR. UNICE: Object to form.</p> <p>9 A. Which? It was always or at some point?</p> <p>10 Q. Well, I guess that's my question to you. Was 11 this always a concern of yours?</p> <p>12 A. No.</p> <p>13 Q. So when did it become a concern?</p> <p>14 A. I can't specifically say when, but to me it was 15 a concern by the numbers.</p> <p>16 Q. And how did the large -- how did the fact that 17 there was a large number of people on the AHERF 18 board affect the meetings in your view? What 19 was it about it that concerned you?</p> <p>20 MR. UNICE: Object to form.</p> <p>21 MR. McCLENAHAN: Objection, he didn't 22 say that the meetings concerned him or that it 23 affected the meetings. Just no foundation.</p> <p>24 Q. Well, let me back up then. You said that one 25 of the things that you observed about the</p>	<p>1 Q. Right</p> <p>2 A. If you got this much a day before (indicating), 3 you've got no excuse</p> <p>4 Q. Did you get them a day before?</p> <p>5 A. Oh, I didn't say that.</p> <p>6 Q. Okay. You said you couldn't remember --</p> <p>7 A. I don't remember.</p> <p>8 Q. Do you remember ever feeling that you didn't 9 get it long enough before to read through the 10 whole thing?</p> <p>11 MR. UNICE: Objection.</p> <p>12 A. Undoubtedly, yes.</p> <p>13 Q. Did you ever believe that sometimes the AHERF 14 board meetings didn't last long enough to get 15 through the entire agenda of all the materials?</p> <p>16 MR. UNICE: Objection, form and 17 foundation.</p> <p>18 A. I have to -- I have to better understand the 19 question, being that you said in order to get 20 through all the material on the agenda, and I 21 would say to my recollection, we got through 22 the material on the agenda.</p> <p>23 Q. Did you feel that sometimes you got through the 24 material too quickly for your tastes?</p> <p>25 MR. UNICE: Object to the form</p>

TAB 184

In The Matter Of:

AHERF v.
PRICEWATERHOUSECOOPERS

DR. DONNA MARIE MURASKO
April 8, 2004

LEGALINK MANHATTAN
420 Lexington Avenue - Suite 2108
New York, NY 10170
PH: 212-557-7400 / FAX: 212-692-9171

MURASKO, DR. DONNA MARIE



<p>1 Dr. Donna M. Murasko 2 tell you who asked the question or who 3 answered it. 4 Written in this format, it was 5 probably discussed. 02:59PM 6 Q. And what did you write over on the 7 right on the bottom? 8 A. It is a note, "Tony Cook did ask 9 about productivity of individuals. Len and 10 Sheriff said we're fine." 02:59PM 11 Q. And "Len" would be? 12 A. Ross. 13 Q. And who was he? 14 A. He was the provost. 15 Q. Now, do you have any idea what kind 03:00PM 16 of individuals is referred to here? 17 A. A lot of the revenue in a medical 18 school is based on the billings of individual 19 faculty. 20 If you were reading the documents 03:00PM 21 that you have been giving me, there have been 22 comments about new hires not getting all their 23 revenue in on time because -- and in reading 24 it, I could tell you it is because of 25 credentialing in the hospital, and there is a 03:00PM</p>	<p>Page 161</p> <p>1 Dr. Donna M. Murasko 2 minimum." 3 Do you know what that was about? 4 A. It's consistent with what I just 5 said. 03:01PM 6 If you hire new physicians, it takes 7 a year in order for their revenue to be 8 totally represented in the financials because 9 of the billing and the time that those 10 receivables come in. 03:02PM 11 Q. Well, what do you think, "we're 12 paying for it," means? 13 A. When you hire faculty, even though 14 you're not getting their revenue in, you have 15 to give them their monthly salary. 03:02PM 16 Q. And then it says, "Potamkin," colon, 17 PR is management poor. Are losses real. Need 18 to know correct spin. 19 Do you know what that's all about? 20 MR. UNICE: Object to form. 03:02PM 21 A. I don't know. I can't go back and 22 interpret that. 23 Q. But this would be something that Mr. 24 Potamkin said? 25 A. Not directly; it is obviously a 03:03PM</p>
<p>1 Dr. Donna M. Murasko 2 payment delay. 3 That was a recurrent theme through 4 Board meetings, on whether or not we were 5 getting that money in quickly enough. 03:00PM 6 So this is consistent with that. 7 Q. Do you know why Len and Sheriff said 8 that, "we were fine"? 9 A. Probably that the individuals are 10 now doing fine. Previous Board book said -- 03:01PM 11 you have actually given me today said that 12 there are concerns with that. So their 13 comments were probably saying that that has 14 been addressed. 15 Q. If you go to the next page, Delaware 03:01PM 16 Valley Obligated Group, Combining Statement of 17 Changes in Net Assets For the Year Ending June 18 30, 1997. 19 It says, "Bob Palmer," colon, 20 "realize conditions were difficult but did we 03:01PM 21 do the best we could. Sheriff, I believe so. 22 Recruitment last year was needed, but we're 23 paying for it. Len, we've made some faculty 24 adjustments but," dot, dot, dot, takes -- 25 sorry, "take one year to see change at 03:01PM</p>	<p>Page 162</p> <p>1 Dr. Donna M. Murasko 2 paraphrase and a summary on my part. But I 3 can't decipher it at this point. 4 MR. FRIESEN: We need to change 5 the tape briefly. 03:03PM 6 VIDEO SPECIALIST: We are now 7 going off the video record. That 8 concludes Videotape No. 2. The time, 9 3:03. 10 (Short recess.) 03:03PM 11 VIDEO SPECIALIST: We are now 12 back on the videotape record. This 13 commences Videotape No. 3. The date, 14 April 8, 2004. The time, 3:13. 15 You may continue. 03:13PM 16 BY MR. FRIESEN: 17 Q. Do you recall that Mr. Abdelhak was 18 terminated in June of 1998? 19 A. Yes, I do. 20 Q. And when was the first time that you 03:13PM 21 ever heard any discussion whatsoever about his 22 potential termination? 23 A. I cannot recall the date. I... 24 Q. Do you recall how much before the 25 actual termination it was? 03:14PM</p>

<p>1 Dr. Donna M. Murasko 2 A. No. 3 Q. Whether it was a day or a week? 4 A. I cannot. 5 Q. Were you involved at all in the 03:14PM 6 decision to terminate him? 7 A. I was not. 8 Q. Do you recall how you learned that 9 he was terminated? 10 A. I do not. 03:14PM 11 Q. Did you -- strike that. 12 Do you know when the first time was 13 that you heard that anyone had lost confidence 14 in Mr. Abdelhak? 15 A. No. 03:14PM 16 MR. UNICE: Object to form. 17 BY MR. FRIESEN: 18 Q. Were you aware that, prior to his 19 termination, a group of AHERF doctors had lost 20 confidence in him? 03:14PM 21 A. I do not know that. I do not 22 remember learning that. 23 Q. And did you ever lose confidence in 24 Mr. Abdelhak prior to his termination? 25 A. Confidence, no; concern, yes. 03:15PM</p>	<p>Page 165</p> <p>1 Dr. Donna M. Murasko 2 A. I do not. 3 Q. Prior to the time that you became 4 concerned about Mr. Abdelhak, what was your 5 general impression of him? 03:17PM 6 A. He was a man who had a defined 7 direction and had the energy to go in that 8 direction. 9 Q. Did you consider him someone who was 10 open to other people's ideas? 03:17PM 11 A. Anyone at the top has very defined 12 opinions. I personally found him more willing 13 to listen than many people at the top. 14 Q. Just to be clear, than you had 15 thought of many people at the top or that than 03:17PM 16 other people at the top had thought of him? I 17 am just trying -- 18 MR. KOLANKSY: I -- 19 A. I don't understand your question. 20 Q. Well, you said you found him more 03:17PM 21 willing to listen than other people at the 22 top. And I just don't know if you meant other 23 people at the top thought differently or he 24 was different than other people at the top. 25 A. Oh, probably neither. 03:18PM</p>
<p>1 Dr. Donna M. Murasko 2 Q. And, again, do you know when that 3 concern started, whether it's in time or 4 related to particular events? 5 A. I can't pinpoint it to anything 03:15PM 6 specific. 7 Q. And what was your concern? 8 A. Things were moving too quickly. 9 Q. In a negative trajectory? 10 A. No. 03:15PM 11 Q. No? 12 A. The growth that was occurring in the 13 system was too quick. I am a fiscal 14 conservative. 15 Q. And you don't know whether this was 03:16PM 16 in '96 or seven or eight? 17 A. I can't put it in a time frame. 18 Q. How about Mr. McConnell; do you 19 remember ever losing confidence in Mr. 20 McConnell prior to his termination? 03:16PM 21 MR. UNICE: Object to form. 22 A. I can't remember formulating an 23 opinion at that time. 24 Q. Do you know why Mr. Abdelhak was 25 terminated? 03:16PM</p>	<p>Page 166</p> <p>1 Dr. Donna M. Murasko 2 Q. Okay. 3 A. It's people in a position of his 4 authority generally do not -- are not willing 5 to listen to people in the middle at all. I 03:18PM 6 found him one who would listen. So not just 7 in Allegheny, but generally people in power. 8 Q. Now, by "in the middle," what do you 9 refer to? 10 A. A department head. 03:18PM 11 Q. Because you are a Trustee, as well, 12 that's can what I am trying to get at. 13 A. Key -- 14 Q. In your role as a Trustee, did you 15 consider him someone who was willing to listen 03:18PM 16 to Trustees? 17 A. My -- you asked for my opinion in 18 general, and I have to do it based on my 19 personal interaction with him. 20 And, as I said before, it was a -- 03:18PM 21 it was not just a Trustee; I was a faculty 22 member and a department head. So I cannot 23 tell you whether or not my interaction with 24 him is universal with everybody. 25 I can tell you specifically how he 03:19PM</p>

<p>1 Dr. Donna M. Murasko 2 interacted with me, where he was willing to 3 listen to alternate points of view.</p> <p>4 Q. Well, when you were at these Board 5 meetings with other Trustees, and when you 03:19PM 6 wrote notes about this Trustee saying this and 7 that one shaking his head, et cetera, et 8 cetera, did you have a sense at those meetings 9 that Mr. Abdelhak was open to the suggestions 10 of other Trustees? 03:19PM</p> <p>11 A. Yes. He was listening to people and 12 seemed receptive.</p> <p>13 MR. FRIESEN: Let me mark 14 Exhibit 2528. 15 (Document marked for 16 identification as Exhibit 2528.)</p> <p>17 MR. FRIESEN: This is a 18 documents Bates numbered PR-PLD-066-00492 19 through 497. And it says, "1995 20 Trustee's Evaluation." It says, 03:20PM 21 "Murasko," at the top. Then there is 22 some handwriting throughout and X's.</p> <p>23 BY MR. FRIESEN: 24 Q. Is this your handwriting in the 25 responses to this? 03:20PM</p>	<p>Page 169</p> <p>1 Dr. Donna M. Murasko 2 done with you. But I want to thank you 3 very much for coming in.</p> <p>4 VIDEO SPECIALIST: We are now 5 going off the video. The time, 3:22 and 03:22PM 6 38 seconds.</p> <p>7 (Short recess.)</p> <p>8 VIDEO SPECIALIST: Back on.</p> <p>9 The time, 3:27.</p> <p>10 BY MR. UNICE:</p> <p>11 Q. Good afternoon, Dr. Murasko. At 12 long last, my name is John Unice. We met 13 earlier this morning.</p> <p>14 I am here on behalf of the plaintiff 15 in this case, and I have some questions for 03:27PM 16 you about some of the matters you have already 17 discussed today.</p> <p>18 Before I begin with my questions, I 19 want to make it clear, so you and I can talk 20 better with one other, that if you have a 03:28PM 21 question or concern about one of my questions, 22 that you ask me to rephrase it or repeat it, 23 and I will do that for you. Okay?</p> <p>24 A. (Witness shakes head.)</p> <p>25 Q. All right? 03:28PM</p>
<p>1 Dr. Donna M. Murasko 2 A. Well, I have to get to that section. 3 Q. Okay. 4 A. Yes, that is my handwriting. 5 Q. If you go to the page ending in 496. 03:21PM 6 At the bottom, No. 3, it says, "Do you have 7 any specific suggestions as to how your 8 functioning on the Board might be enhanced?" 9 And what did you write there? 10 A. "It takes a while to become familiar 03:21PM 11 with the other Trustees. Assigning a mentor 12 to a new Trustee. Basically give the new 13 Trustee the name of an older, longer Trustee 14 who can be a resource would be helpful." 15 Q. Do you know whether that suggestion 03:21PM 16 was put into action? 17 A. To my knowledge, no. 18 Q. Prior to coming to your deposition 19 here today, did you meet with or talk to 20 anyone from Jones, Day, which is Mr. Unice's 03:22PM 21 law firm? 22 A. No, I did not. 23 MR. FRIESEN: Those are all the 24 questions that I have at the moment. And 25 I might have a few more once Mr. Unice is 03:22PM</p>	<p>Page 170</p> <p>1 Dr. Donna M. Murasko 2 A. Fine. 3 Q. Another big rule -- and you have 4 done a great job of this so far -- is to 5 answer verbally to my questions so that the 03:28PM 6 court reporter can transcribe your responses. 7 All right? 8 A. Yes. 9 Q. If at any time today you need to 10 take a break to talk to your attorney, let me 03:28PM 11 know, and we will do that. All right? 12 A. Yes. 13 Q. And another one we are going to work 14 on together is to not speak over one another. 15 Do your best to wait until I finish my 03:28PM 16 questions, and I will do my best to let you 17 finish your response before my next question 18 comes out. All right? 19 A. Fine. 20 Q. Earlier this morning you were asked 03:28PM 21 what your role was, or what you saw your role 22 to be, as a Trustee at AHERF. 23 And I believe you said that it was 24 to oversee and to assist management in the 25 oversight operations of the system. 03:29PM</p>

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MEETING OF THE BOARD OF DIRECTORS
 MEDICAL COLLEGE OF PENNSYLVANIA
 Philadelphia, Pennsylvania

A meeting of the Board of Directors of the Medical College of Pennsylvania was held on Wednesday, September 30, 1992 at 12:00 Noon in the Board Room at the College. The following individuals were present:

<u>Members Present</u>	<u>Appointed Officers and Invited Guests</u>	<u>Members Absent</u>
Sherif S. Abdelhak	Irene M. Cumming	Martin Beitler
Barbara F. Atkinson, M.D.	Leonard L. Ross, Ph.D.	Anthony M. Cook
Lee A. Barber, M.D.	Nancy A. Wynstra, Esq.	Douglas D. Danforth
Jules Blake, Ph.D.		Ronald R. Davenport
Phyllis P. Bober, Ph.D.		Charles M. Furr, M.D.
Sylvia M. Brasler		Lillian Pardo, M.D.
William J. Brecht		Ira J. Gumberg
Lorraine H. Brown, Ph.D.		Caryl M. Kline
Pauline M. Chambers		Marvin Lundy
Maurice C. Clifford, M.D.		Elizabeth Pryor
Betsy Z. Cohen		Barbara A. Schlager, M.D.
D. Walter Cohen, D.D.S.		
Franklin E. Congdon, Jr.		
Leonard T. Ebert		
Harry R. Edelman, III		
Claire W. Gargalli		
Joseph H. Gillies		
Richard G. Gilmore		
Richard W. Goodby		
Leonard S. Jacob, M.D.		
Martha P. Jordan		
Donald Kaye, M.D.		
Walter E. Kemmerer		
Julian Marsh, M.D.		
David W. McConnell		
Donald J. McGraw, M.D.		
Susan V. McLeer, M.D.		
Leslie Anne Miller		
Donna Murasko, Ph.D.		
Paul D. Neuwirth		
William P. Snyder, III		
Eric Vogel		
Victoria Wilson		
Margaret Gray Wood, MD		

PR-BO-063-02710

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I. Opening of Meeting

The meeting was called to order by Chairman H.R. Edelman, III who declared that a quorum was present and the meeting was competent to proceed. Nancy A. Wynstra maintained the minutes of the meeting.

II. Additions to the Agenda

There were no additions to the agenda.

III. Current Issues

A. Approval of Minutes

The Minutes from the meeting held on June 17, 1992 were approved as presented.

B. Discussion and Actions re: Loss of \$11 Million State Appropriation

Mr. Edelman requested a re-ordering of the information to be presented under this agenda item, so that all aspects of the issue could be presented and thoroughly discussed before any matters were presented for action.

1. Presentation of actions and circumstances leading to management's decision.

Dr. Cohen presented to the Board a review of the period from July 1, 1992 through August 1, 1992, when MCP learned that it had received no money in the state budget and considered how to meet the crisis which resulted. He noted that this was a very painful period but that it was necessary to take decisive action to reduce expenses and offset the loss of the \$11 million in State appropriations so that MCP would be able to meet its obligations.

Dr. Cohen said that, before he requested the Board's ratification of those actions, he wanted the Board to be aware that certain members of the Faculty had expressed their concern about the actions taken and, for the reasons listed below, would like the Board to rescind or modify certain actions taken.

A. Dr. Cohen said that the Faculty members who seek these actions believe that the two affected tenured Faculty should be reappointed because:

1. MCP did not declare a state of financial exigency as they believe is required by the Faculty Bylaws.

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2. MCP management did not consult with the Faculty before terminating tenured Faculty as required by the Faculty Bylaws.

B. More recently, those Faculty members have also claimed that MCP management did not give the non-tenured Faculty the usual twelve months' notice and have requested that such notice be provided as they believe to be required by the Faculty Bylaws.

Dr. Cohen noted that a copy of the relevant sections of the Faculty Bylaws had been provided to the Board so they could confirm that the requirements of the Bylaws were met. Specifically, he noted that:

- a) The Bylaws require that a state of financial exigency exist before tenured faculty can be terminated. Nowhere is there a requirement that such a state be declared. In fact, a state of financial exigency did exist, given the relative size of the loss of funding, which is equal to 11 percent of the total college budget, and 29 percent of the funds available to the Dean for support of the Departments of the College. This has been confirmed by the Resource Management Committee of MCP.
- b) MCP consulted with the Faculty through the various department chairmen and satisfied itself that the following solution constraints and criteria were valid and in the best interest of the College.

Dr. Cohen noted that the cost reduction steps taken were based on certain constraints and criteria. Specifically,

- a) The reductions made could not adversely affect the educational programs.
- b) The reductions made could not further reduce the revenue of the College.
- c) The reductions made could not jeopardize the accreditation of the schools.

Cost reductions had to be implemented in the following order:

- a) Non-personnel costs
- b) Non-Faculty personnel
- c) Non-tenured Faculty
- d) Tenured Faculty

Dr. Cohen noted that it is clear that those members of the Faculty who are objecting to the actions taken believe that a much broader consultative process was necessary. In that regard, he said, the individuals making the decisions must be responsible for determining who to consult with, about what, and when. And, in making that determination, he noted that the interest in consulting was balanced with the necessity of maintaining confidentiality for the sake of the individuals affected and to avoid creating a state of panic in the institution that would be counterproductive.

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As to the notice requirement, Dr. Cohen stated that the Faculty Bylaws require "reasonable" notice and do not specify any specific period. While under normal circumstances we have given non-tenured Faculty a 12-month notice, these circumstances were anything but normal, and we gave what we believe is reasonable notice that ranged from 3-12 months, depending upon Faculty status and rank.

Dr. Cohen advised the Board that the College's legal counsel has verified management's adherence to the Bylaws.

Dr. Cohen assured the Board on behalf of Dean Ross, and all the Department Chairs of the College, that every action taken was in good faith with only one thing in mind--to save MCP. He requested that the Board consider all of the subsequent discussions with this in mind, and that the Board ratify all management action taken and thereby stand behind the people who undertook this most painful task on behalf of MCP.

2. Revised budget resulting from management's decisions and actions.

Mr. Neuwirth presented the revised Medical College of Pennsylvania 1993 budget to the Board. He advised the Board that the revised budget reflects the adjustments necessary to respond to the loss of funding from the State of Pennsylvania. The revised budget anticipates a net excess of expenses over revenues of \$3.114 million, which is the amount approved by the Board in June 1992 when it approved the original 1993 budget. The adjustments include a tuition increase, elimination of all salary increases and a 7% reduction in all college administrative and academic department budgets, and a \$2.5 million reduction in support service expenses.

3. Report from Resource Management Committee

Mr. Neuwirth then provided the report from the Resource Management Committee recommending that the Board concur in the decision of the Resource Management Committee that a clear state of financial exigency existed as of July 1, 1992 because of the State's failure to appropriate funds to MCP and further recommending that the Board approve the actions taken by management as a result of the state actions. He noted that the Committee had discussed extensively the financial and other issues raised by the failure to appropriate funds and concurred that the actions taken were necessary and appropriate under the circumstances. A lengthy discussion followed. During the discussion of the issues of financial exigency and the steps taken to deal with the financial emergency, there were inquiries about the cost of the adjustment applicable to tenured and non-tenured faculty. Mr. Abdelhak expressed his concern about the confidentiality of the individuals involved if this number were disclosed. It was noted during the discussion that what faced the College was a basic question of the ability to continue the various departments as functional entities and it was for this reason that it was necessary to take such a drastic step as termination of tenured or non-tenured faculty.

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4. Report from the Academic Affairs Committee

Leslie Miller then reported on the Academic Affairs Committee decision to appoint a Special Committee to consider various issues relative to tenure. She noted that the impetus for this Committee was the result of the difficult decision to terminate tenured faculty and the fact that the need to take this action in this instance has clarified the need for establishing clear standards and a process for the dismissal of tenured faculty. She noted that the focus of the Committee will be to consider the requirements for tenure and to consider the process for dismissal of tenured faculty. She noted that the intention in appointing the Committee is not to weaken but to strengthen the tenure system. Mr. Abdelhak noted management's understanding that there is a need to signal to the faculty the organization's strong commitment to the tenure process as well as the organization's commitment to the faculty. There was discussion of issues about tenure and the role of the Committee.

5. Petition from Faculty Meeting

Dr. Ross then presented the petition which was passed at the faculty meeting held on September 21, 1992. He noted that the resolution, which calls for the Board of Directors to rescind the actions of administration with respect to the faculty and which calls upon the Special Committee of the Academic Affairs Committee to consult with the Executive Faculty prior to making its recommendations, was passed by a vote of 87 to 63, with 9 abstentions.

6. Communication From Departmental Chairs

Dr. Ross also presented a communication dated September 25, 1992 in which the Chairmen of the Academic Departments indicate their commitment to the preservation of tenure but note the need they faced during the financial emergency to balance that commitment against their responsibility to maintain MCP as a functioning entity. The Chairman noted that "we acted in good faith and did the best we could for MCP" and committed to strive for better communication and consultation among those concerned in the future.

7. Statement on Behalf of AHERF

Mr. Snyder then made a statement on behalf of AHERF noting that management had agonized over the recommendations it would make to deal with the financial emergency resulting from the state's failure to appropriate funds and urging the MCP Board to act to support management in carrying out its responsibilities during this difficult period.

8. Resource Management Resolutions: re: Financial Exigency

Mr. Neuwirth then presented the Resource Management Committee's recommendations for consideration:

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a. Resolution, re: Financial Exigency

Following lengthy discussion and upon motion duly made and seconded, the Board of Directors of MCP approved the following resolution:

RESOLVED, that the Board of Directors ratify and affirm the administrative actions taken which were necessary to implement the adjustments caused by the financial emergency resulting in financial exigency and which alleviated this financial exigency which arose as a result of the significant reduction of the state appropriated funds for FY 1993, except for those actions relative to tenured faculty which will be handled separately.

Dr. Marsh abstained from voting on this matter.

b. Resolution, re: Management's Actions and Adoption of Revised Budget

Following further lengthy discussion, and upon motion duly made and seconded, the Board approved the following resolution:

NOW THEREFORE BE IT RESOLVED, that the Board of Directors of the Medical College of Pennsylvania does hereby ratify and affirm the fact that, through the failure of the legislature to appropriate approximately \$11 million for the College's fiscal year beginning on July 1, 1992, there was created for the College a financial emergency resulting in financial exigency; and

FURTHER RESOLVED that the Board of Directors of MCP does ratify and affirm the administrative actions taken by its authorized representatives, the College's administration, to make financial, administrative and programmatic changes because of the financial emergency caused by the State Legislature's actions and which did alleviate the financial exigency; and

FURTHER RESOLVED that the Board of Directors of MCP does hereby ratify and affirm the revised budget as recommended by the Resource Management Committee, which incorporates the financial adjustments necessary to alleviate the condition of financial exigency.

9. Ratification of Action of Academic Affairs Committee

Leslie Miller then requested ratification of the action of the Academic Affairs Committee in appointing a Special Committee Concerning Tenure Policy. During the discussion it was suggested and agreed that the Chairman of the Faculty Bylaws Committee should be added as a member of the Special Committee. Upon motion duly made and seconded, the Board unanimously ratified the appointment of the Special Committee on Tenure Policy.

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10. Consideration of Petition From Faculty Meeting

Dean Ross then requested consideration of petition from the faculty. The resolutions requested by the faculty were:

RESOLVED that the faculty of the Medical College of Pennsylvania respectfully requests the Board of Directors at its meeting on September 30 to rescind the actions of the administration with regard to dismissal of non-tenured faculty with less than one year's notice and the non-reappointment of tenured faculty.

BE IT FURTHER RESOLVED that the faculty also requests the select subcommittee of the Academic Affairs Committee of the Board of Directors to consult with the elected faculty representatives to the Executive Faculty prior to making its recommendations to the parent committee on December 2.

It was moved, seconded and unanimously approved that the two resolutions be separated for action. Dr. Marsh spoke from a prepared statement, in support of the first resolution, indicating that if the Board approved the firing of tenured faculty, serious consequences would ensue. He expressed his concern that the Executive Faculty was not consulted before this decision was made and noted that, although he had had an opportunity for full discussion with the Chief Executive Officer, he did not agree with the action taken. He voiced the opinion that discussions with department chairmen concerning budget cuts did not constitute consultation with the faculty as required under the Bylaws. He stated that if the action terminating the faculty is affirmed this will undermine tenure at MCP and impair both recruitment and retention. He also indicated that he expected that the institution might be censured by the AAUP for failure to follow the faculty bylaws. Dr. Marsh stated that he did not agree that overturning the action would be a vote of no confidence in management because he believes one of the roles of the Board is to correct management mistakes if they are made, which he believes they were in this instance. He said that approval of the faculty resolution rescinding the termination of tenured faculty would send a message to disaffected faculty, would undercut claims that legal rights were violated, would begin the healing process between faculty and management, and would avoid AAUP review.

Dr. Ross noted that throughout the process management had been in close consultation with both the Human Resources and Legal Departments. He noted that a state of final emergency was announced on July 6, 1992 and indicated that, in an academic medical center, the role of the Chairman is to serve as faculty leadership with a key role in elaboration and implementation of policies and with full responsibility for implementation of approved budgets. He noted that, while termination of both non-tenured and tenured faculty was extremely difficult, it was done to assure the survival of MCP and that he did not believe this action should be undermined. He also noted that

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MCP was hit harder than any of the other medical schools by the failure of the State to appropriate the funds which were anticipated.

During the discussion which followed, it was noted that the faculty agreed that there was an emergency but felt that management had mis-interpreted the Bylaws and did not follow the spirit of the Bylaws, which has led to a strain between the faculty and the administration. It was also noted by management that the disagreement with the faculty over the interpretation of bylaws is a respectful disagreement and that management does recognize the importance of tenure and the need for clarity about termination of tenured faculty members. Ms. Miller noted that she had personally reviewed the applicable sections of the Faculty Bylaws and the entire situation and that she would vote against the faculty resolution. She said that she would vote against the faculty resolution to show her confidence in management to deal with the state of financial exigency. She also noted that, in her opinion, all requirements of the faculty bylaws were met. She noted that there clearly was and has been a state of financial exigency and that the minimum requirements of collaboration and discussion were met, although she noted that there may have been less than perfect communication between faculty and management. She noted that the decision was made in compliance with the Bylaws after consultation and that the decision, although very difficult, was justified by the financial crisis. She suggested that we should reflect on the need for a different process in the future but noted that to support the faculty resolution would further divide the organization when it needs to be united. She expressed her support for the actions taken by management and made a plea to the faculty to channel their energies into the work of the special committee on tenure.

Following discussion, it was moved and seconded that the Board accept the request of the faculty to rescind the actions of the administration with regard to the non-reappointment of tenured faculty. The motion was defeated with Dr. Murasko and Mr. Vogel abstaining.

On the second resolution, the Board agreed to take no action on the request of the faculty that the Subcommittee on Tenure of the Academic Affairs Committee consult with the elected faculty members prior to making its recommendations, because the Chairman of the Special Committee, Ms. Miller, committed to engage in such consultation.

11. Resolution, re: Non-reappointment of Tenured Faculty

Mr. Abdelhak then moved that the action of the administration concerning the non-reappointment of tenured faculty be ratified and noted administration's pledge to the faculty to create and sustain a stable environment in which management and the faculty can work together in harmony. The motion was seconded and substantial discussion followed during which some members of the faculty suggested that the Board's adoption of this motion would have severe and negative consequences on the relationship with the faculty. Following the discussion and upon motion duly made and seconded, the motion

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was passed with four abstentions, Mr. Neuwirth, Ms. Bober, Dr. Murasko and Mr. Congdon.

IV. Reports from MCP Committees

A. Resource Management Committee

Mr. Neuwirth presented the additional items recommended by the Resource Management Committee. He reported the results of operations and the unaudited financial statements for the fiscal year ended June 30, 1992. He noted that the Committee recommended the following actions:

1. Approval of Results of Operations and Unaudited Financial Statements for FY Ended June 30, 1993.

Following discussion and upon motion duly made and seconded, the Board approved the following resolution:

RESOLVED, that the Board of Directors of The Medical College of Pennsylvania accepts the year-end financial statements for the period ended June 30, 1992, contingent upon there being no material changes in the financial statements based upon the report of Coopers & Lybrand and acceptance by the AHERF Audit Committee.

2. Approval of Lines of Credit

As a result of the Plan of Division of MCP creating Medical College Hospitals, existing lines of credit agreements with Philadelphia National Bank and Pittsburgh National Bank required modification for the banks to maintain the same credit and security that was in place prior to the Plan of Division. Upon motion duly made and seconded, the Board of Directors approved the following resolution:

RESOLVED:

1. That the President, Vice-President, Treasurer, Assistant Treasurer, Secretary and Assistant Secretary of this Corporation, or any one or more of them, are hereby authorized in the name and on behalf of this Corporation from time to time (1) to borrow money and to obtain credit from The Philadelphia National Bank and to sell to or discount with said Bank any evidences of indebtedness and choses in action owned by this Corporation, on such terms as may be required by said Bank; (2) to authorize and cause the issuance of letters of credit and the purchase or sale of exchange for future delivery by said Bank for the account of this Corporation, on such terms as may be required by said Bank; (3) to give said Bank one or more mortgage or other liens on any

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real property of this Corporation to secure the payment and performance of this Corporation's obligations and liabilities of any nature to said Bank; and (4) in connection with the foregoing, to execute and deliver any instruments

and/or agreements required by said Bank, including those authorizing confession of judgment.

2. That the Secretary is hereby directed to file with said Bank a certified copy of this Resolution and a list of the persons, together with specimens of their signatures, who are the present holders of the said offices, and that said Bank shall be entitled as against this corporation to presume conclusively that the persons so certified as holding such offices continue respectively to hold the same until otherwise notified in writing by the Secretary.
3. That this Resolution, insofar as said Bank is concerned, shall continue in full force and effect until receipt by said Bank of written notice from the Secretary of the changes, if any, therein.

RESOLVED:

1. That the President, Vice-President, Treasurer, Assistant Treasurer, Secretary and Assistant Secretary of this Corporation, or any one or more of them, are hereby authorized in the name and on behalf of this Corporation from time to time (1) to borrow money and to obtain credit from The Pittsburgh National Bank and to sell to or discount with said Bank any evidences of indebtedness and choses in action owned by this Corporation, on such terms as may be required by said Bank; (2) to authorize and cause the issuance of letters of credit and the purchase or sale of exchange for future delivery by said Bank for the account of this Corporation, on such terms as may be required by said Bank; (3) to give said Bank one or more mortgage or other liens on any real property of this Corporation or one or more liens on or security interest in any personal property of this Corporation to secure the payment and performance of this Corporation's obligations and liabilities of any nature to said Bank; and (4) in connection with the foregoing, to execute and deliver any instruments and/or agreements required by said Bank, including those authorizing confession of judgment.
2. That the Secretary is hereby directed to file with said Bank a certified copy of this Resolution and a list of the persons, together with specimens of their signatures, who are the present holders of the said offices, and that said Bank shall be entitled as against this Corporation to presume conclusively that the persons so certified as holding such offices continue respectively to hold the same until otherwise notified in writing by the Secretary.

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3. That this Resolution, insofar as said Bank is concerned, shall continue in full force and effect until receipt by said Bank of written notice from the Secretary of the changes, if any, therein.

Mr. Neuwirth noted that the Report on Investments and the Information Systems Report were included in the agenda for information and that he would be happy to answer questions on either report.

B. Academic Affairs Committee

Leslie Miller presented the Academic Affairs Committee's recommendations with respect to tenure appointments. Following discussion, and upon motion duly made and seconded, the Board approved the following resolution:

RESOLVED, that the Board of Directors of The Medical College of Pennsylvania, acting on the recommendation of the Academic Affairs Committee, approves tenure for the candidates listed below:

Bonita Falkner, M.D., Professor of Pediatrics

Anne Barnes, M.D., Professor of Anatomy and Neurology (Tenure of Title)

Ms. Miller then presented the Academic Affairs Committee's recommendations concerning faculty changes. Following discussion, and upon motion duly made and seconded, the Board approved the following resolution:

RESOLVED, that the Board of Directors of The Medical College of Pennsylvania, acting on the recommendation of the Academic Affairs Committee, approves, the following Faculty Changes:

Emeritus:

Doris Gallagher, M.D., from Associate Professor of Anesthesiology to Professor Emerita of Anesthesiology, effective 07/01/92 (MC)

Promotions:

Linda J. Norderman, M.D., from Instructor in Emergency Medicine to Assistant Professor of Emergency Medicine, effective 05/01/92 (AC)

Rebecca A. Seip, M.D., from Instructor in Emergency Medicine to Assistant Professor of Emergency Medicine, effective 06/01/92 (AC)

Joan A. Lit, M.D., from Instructor in Medicine to Assistant Professor of Medicine, effective 07/01/92, MC

Sonia E. Hulman, M.D., from Assistant Professor of Pediatrics to Associate Professor of Pediatrics, effective 07/01/92 (MC)

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Charles D. Puglia, Ph.D., from Associate Professor of Pharmacology to Professor of Pharmacology, effective 07/01/92 (MC)

H. Jordan Gerber, M.D., from Assistant Professor of Psychiatry to Associate Professor of Psychiatry, effective 07/01/92 (AC)

Eileen F. McGarvey, M.D., from Instructor in Radiologic Sciences to Assistant Professor of Radiologic Sciences, effective 07/01/92, MC

Seth Zwillenberg, M.D., from Clinical Assistant Professor of Surgery (Otolaryngology) to Clinical Associate Professor of Surgery (Otolaryngology), effective 06/01/92 (MC)

Appointments:

Jeffrey S. Deitch, Ph.D., Visiting Assistant Professor of Anatomy and Neurobiology, effective 07/01/92 (MC)

Yasunobu Itoh, M.D., Visiting Assistant Professor of Anatomy and Neurobiology, effective 07/01/92 (MC)

Denise R. Ferrier, Ph.D., Assistant Professor of Biochemistry, effective 07/01/92 (MC)

Bonnie B. O'Connor, Ph.D., Assistant Professor of Community and Preventive Medicine, effective 07/01/92 (MC)

Carol A. Hart, M.D., Instructor in Emergency Medicine, effective 07/01/92 (MC)

Loice A. Swisher, M.D., Instructor in Emergency Medicine, effective 07/01/92 (MC)

Patricia L. VanDevander, M.D., Instructor in Emergency Medicine, effective 07/01/92 (MC)

Steven L. Atlas, D.M.D., Clinical Instructor of Medicine (Dental Medicine), effective

Cheryl A. Collier-Brown, M.D., Clinical Instructor in Medicine, effective 07/01/92 (MC) 07/01/92, MC

Nadia Laniado, D.D.S., Clinical Instructor in Medicine (Dental Medicine), effective 05/06/92 (MC)

Christopher J. Larmour, D.M.D., Clinical Instructor in Medicine (Dental Medicine), effective 07/01/92 (MC)

Ronald S. Luber, D.O., Clinical Instructor in Medicine (Family Practice), effective 03/17/92 (MC)

Alan J. Miller, D.O., Clinical Instructor in Medicine (Family Practice), effective 07/01/92 (MC)

Susan P. Dias, M.D., Instructor in Medicine, effective 07/01/92 (MC)

Pamela B. French, M.D., Instructor in Medicine, effective 07/01/92 (MC)

John A. Getsy, D.O., Instructor of Medicine, effective 07/01/92, MC

David S. Kleinman, M.D., Instructor in Medicine, effective 07/01/92 (MC)

David S. Krause, M.D., Clinical Assistant Professor of Medicine, effective 08/01/92, MC

Elana N. Kripke, M.D., Clinical Instructor of Medicine, effective 07/01/92, MC

Larry L. Levin, M.D., Instructor in Medicine, effective 07/01/92 (MC)

Barbara J. Mroz, M.D., Instructor in Medicine, effective 07/01/92 (MC)

Sallie G. Stadlen, M.D., Assistant Professor of Medicine, effective 07/06/92, MC

George H. Steele, Jr., M.D., Assistant Professor of Medicine, effective 08/03/92, MC

Cyriac T. Thachet, M.D., Instructor in Medicine, effective 07/01/92 (MC)

Janin Rackowitz, M.D., Instructor in Medicine, effective 07/01/92 (MC)

Allison J. Batchelor, M.D., Clinical Assistant Professor of Medicine, effective 07/01/92 (MC)

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Bethala (B.B.) Franklin, M.D., Clinical Assistant Professor of Medicine, effective 03/01/92 (MC)

Peter B. Frechie, D.O., Clinical Assistant Professor of Medicine, effective 06/01/92 (MC)

Joseph G. Lewis, M.D., Clinical Assistant Professor of Medicine, effective 07/01/92 (MC)

Usha S. Marfatia, M.D., Clinical Assistant Professor of Medicine, effective 07/01/92 (MC)

Michael J. Martinelli, M.D., Clinical Assistant Professor of Medicine, effective 07/01/92 (MC)

Varun Saxena, M.D., Clinical Assistant Professor of Medicine, effective 07/01/92 (MC)

Jeffrey H. Perlson, D.O., Clinical Assistant Professor of Medicine (Family Practice), effective 10/09/91 (MC)

Steven D. Feiner, D.O., Clinical Assistant Professor of Medicine, effective 07/01/92 (AC)

Lawrence M. Sigman, M.D., Clinical Assistant Professor of Medicine, effective 05/01/92 (MC)

Robert F. Boynton, M.D., Assistant Professor of Medicine, effective 07/01/92 (MC)

Barbara Carpenter, M.D., Assistant Professor of Medicine, effective 07/01/92 (AC)

John G. Ivanoff, M.D., Assistant Professor of Medicine, effective 05/01/92 (MC)

John T. Cinicola, M.D., Assistant Professor of Medicine, effective 07/01/92 (AC)

Ashok Chaddah, M.D., Assistant Professor of Medicine, effective 07/01/92 (AC)

Ruth M. Preisner, M.D., Assistant Professor of Medicine, effective 07/01/92 (AC)

Kumudini S. DeSilva, M.D., Assistant Professor of Medicine (Family Practice), effective 07/01/92 (AC)

Rosalind D. Kaplan, M.D., Assistant Professor of Medicine, effective 07/01/92 (MC)

Herbert A. Fischer, M.D., Associate Professor of Medicine, effective 05/01/92 (MC)

John H. Wertheimer, M.D., Clinical Associate Professor of Medicine, effective 07/01/92, MC

Thomas H. Swanson, M.D., Assistant Professor of Neurology, effective 07/13/92, MC

Gerald E. Beck, M.D., Clinical Instructor in Obstetrics and Gynecology, effective 05/01/92 (MC)

David W. Doupe, M.D., Clinical Assistant Professor of Obstetrics and Gynecology, effective 05/01/92 (MC)

Oluremi C. Adesida, M.D., Clinical Instructor of Pediatrics, effective 07/01/92, MC

Khudsiya S. Khan, M.D., Clinical Instructor in Pediatrics, effective 05/01/92 (MC)

David L. Snyder, Ph.D., Instructor in Pharmacology, effective 07/01/92 (MC)

Russell M. Farr, M.D., Assistant Professor of Psychiatry, effective 07/01/92, (AC)

Eric P. Fishman, Ph.D., Instructor in Psychiatry (Psychology), effective 04/06/92 (AC)

Linda J. Miller, Ph.D., Instructor in Psychiatry, effective 04/24/92 (AC)

Wendy Erslev, M.S.S., Clinical Assistant Instructor in Psychiatry (Social Services), effective 03/02/92 (MC)

Jack J. Blanchard, Ph.D., Assistant Professor of Psychiatry (Psychology), effective 07/01/92 (MC)

J. Faye Dixon, Ph.D., Assistant Professor of Psychiatry, effective 03/02/92 (MC)

Frank W. Kohler, Ph.D., Assistant Professor of Psychiatry, effective 04/24/92 (AC)

Kristin L. Crisci, M.D., Clinical Assistant Professor of Radiologic Sciences, effective 07/01/92, MC

Nicholas Flores, M.D., Instructor of Radiologic Sciences, effective 07/01/92, (AC)

Arnold C. Friedman, M.D., Professor of Radiologic Sciences, effective 08/17/92, MC—

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Judith K. Weinstein, M.D., Assistant Professor of Radiologic Sciences, effective 07/01/92,

MC

Alan Turtz, M.D., Instructor in Surgery, effective 07/01/92 (MC)

Anna Tyutyunikov, M.D., Ph.D., Research Assistant Professor of Surgery (Ophthalmology),
effective 07/01/92 (AC)

Joint appointments:

Charles M. Koliner, M.D., Assistant Professor of Anesthesiology, effective 03/01/92 (AC)

Peter Kaplan, M.D., Associate Professor of Anesthesiology, effective 03/01/92 (AC)

Kathryn E. Vanderhei, M.D., Clinical Assistant Professor of Medicine, effective 05/01/92
(MC)

Bonita Falkner, M.D., Professor of Medicine, effective 07/01/92, MC

Judith L. Ross, M.D., Professor of Medicine, effective 07/01/92, MC

Benjamin F. Hammond, D.D.S., Ph.D., Professor of Microbiology and Immunology,
effective 07/01/92 (MC)

Robert C. Rose, D.M.D., Assistant Professor of Surgery (Dental Medicine), effective
05/01/92 (MC)

Richard T. Cook, Jr., M.D., Assistant Professor of Emergency Medicine and Assistant
Professor of Pediatrics, effective 07/01/92, MC

Brent R. King, M.D., Assistant Professor of Emergency Medicine and Assistant Professor
of Pediatrics, effective 07/01/92, MC

John M. Loiselle, M.D., Assistant Professor of Emergency Medicine and Assistant
Professor of Pediatrics, effective 07/01/92, MC

Richard J. Scarfone, M.D., Adjunct Assistant Professor of Emergency Medicine and
Adjunct Assistant Professor of Pediatrics, effective 07/01/92, MC

Change of title:

Sharon F. Levy, M.D., from Assistant Professor of Medicine to Clinical Assistant Professor
of Medicine, effective 05/01/92 (MC)

S. Bruce Greenberg, M.D., from Assistant Professor of Radiologic Sciences to Clinical
Assistant Professor of Radiologic Sciences, effective 07/01/92, MC

Ms. Miller then presented the Academic Affairs Committee's recommendations concerning
the appointment and reappointment of Academic Chairmen for the Academic Year 1992-
1993. Upon motion duly made and seconded, the Board approved the following
resolution:

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RESOLVED, that the Board of Directors of The Medical College of Pennsylvania, upon the recommendation of the Academic Affairs Committee approves the following academic Department Chairmen for appointment and reappointment for the academic year 1992-1993:

Donald S. Faber, Ph.D.	Anatomy and Neurobiology
Alan Schwartz, M.D.	Anesthesiology
Michael C. Phillips, Ph.D.	Biochemistry
Eddy A. Bresnitz, M.D. (Acting)	Community and Preventive Medicine
David K. Wagner, M.D.	Emergency Medicine
Donald Kaye, M.D.	Medicine
Donna M. Murasko, Ph.D. (Acting)	Microbiology and Immunology
Rosalie Burns, M.D.	Obstetrics and Gynecology
Barbara F. Atkinson, M.D.	Pathology and Laboratory Medicine
Terrence L. Stull, M.D. (Acting)	Pediatrics
Jay Roberts, Ph.D.	Pharmacology
John M. Russell, Ph.D.	Physiology
Wagner H. Bridger, M.D.	Psychiatry
Mindy Horrow, M.D. (Acting)	Radiologic Sciences
Joel Roslyn, M.D.	Surgery

C. Honorary Degrees Committee

Status Report

Dr. Cohen recommended that an invitation to accept an Honorary Degree at the special convocation be extended to Lillian Paula Seitsive, M.D. Dr. Seitsive was in the first medical class to be educated on Henry Avenue. She is still in full-time practice of Family Medicine at age 86 and has an illustrious career. She has been one of our greatest supporters from a spiritual and a financial standpoint throughout the years. He also noted that approval had previously been given to grant Honorary Degrees to Louis W. Sullivan, M.D., Secretary, U.D. Department of Health and Human Services and Samuel O. Thier, M.D., President, Brandeis University at the special convocation. Following discussion and upon motion duly made and seconded, the Board of Directors approved the following resolution:

RESOLVED, that the Board of Directors authorize the President to invite Lillian Paula Seitsive, M.D., to accept an Honorary Degree to be conferred upon her by the Medical College of Pennsylvania at the Special Convocation.

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V. Other Items

Mr. Edelman reported on the results of the balloting for the Nominating Committee. The following individuals are recommended to serve as members of the Nominating Committee for the coming year:

Maurice C. Clifford, M.D.
Phyllis P. Bober, Ph.D.
William J. Brecht
Joseph H. Gillies
Paul D. Neuwirth

Following discussion, and upon motion duly made and seconded, the Board approved designation of the indicated individuals as members of the Nominating Committee.

VI. Fund Development

Dr. Cohen highlighted the Fund Development Report.

VII. Management Report

Dr. Cohen and Dr. Ross presented a brief overview of the Management Report.

There being no further business, the meeting was adjourned at approximately 2:15 P.M. The next Board of Directors meeting is scheduled for Wednesday, December 16, 1992.

Nancy A. Wynstra
Secretary

NAW:bb:mcpbd

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**Annual Meeting of the Board of Trustees
Allegheny University of the Health Sciences
Philadelphia, Pennsylvania**

The annual meeting of the Board of Trustees of Allegheny University of the Health Sciences was held on Wednesday, December 4, 1996, at 10:00 A.M. in the Board Room of Allegheny University Hospitals, MCP. The meeting was called pursuant to notice duly given in accordance with the Bylaws to each member of the Board of Trustees. A copy of the notice is appended to the original minutes of this meeting.

The following individuals were present:

MEMBERS PRESENT

Voting Trustees

Sherif S. Abdelhak
E. Trent Andrews, M.D.
Phyllis P. Bober, Ph.D.
William J. Brecht
Dorothy McKenna Brown, Ed.D.
Stuart Caine
Constance E. Clayton, Ed.D.
Maurice C. Clifford, M.D.
Anthony M. Cook
Gloria Donnelly, Ph.D., R.N.
Harry R. Edelman, III
Risa Granick, Ed.D.
Leonard S. Jacob, M.D., Ph.D.
Claude R. Joyner, M.D.
H. Lawrence Karasic, M.D.
Donald Kaye, M.D.
Sandra Levison, M.D.
Paul D. Neuwirth
Robert B. Palmer
Leonard L. Ross, Ph.D.
W. P. Snyder III, Chair
Leon C. Sunstein, Jr.
Margaret Gray Wood, M.D.

MEMBERS PRESENT

Ex-Officio Trustees

Susan Brozena, M.D.
Yale Popowich

EMERITUS TRUSTEES

Richard W. Goodby

OTHER INVITEES

D. Walter Cohen, D.D.S.
Lynn R. Isaacs
Dwight Kasperbauer
Charles P. Morrison
Jean Rocks
Nancy A. Wynstra, Esq.

MEMBERS ABSENT

Barbara Atkinson, M.D.
Jules Blake, Ph.D.
Calvin Bland.
Betsy Z. Cohen, Esq.
Douglas D. Danforth
Ronald R. Davenport
Leonard T. Ebert
Claire W. Gargalli
Richard H. Glanton, Esq.
Willard P. Green, Ph.D.
Christie Huddleston, M.D.
Joseph C. Maroon, M.D.
Alfred W. Martinelli
Dennis McWeeney
Donna M. Murasko, Ph.D.
Joseph Neubauer
Susanne Palmer
Robert M. Potamkin, Esq.
Annette Marie Rizzo, Esq.
Anthony M. Sanzo
Manuel Stamatakis
William E. Welton

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I. OPENING OF THE MEETING

The meeting was called to order at 10:00 a.m. by W.P. Snyder, III, Chair, who declared that a quorum was present and the meeting was competent to proceed. Nancy A. Wynstra maintained the minutes of the meeting.

Mr. Snyder introduced and welcomed new members of the Board: Constance E. Clayton, Ed.D., Faculty Representative from the School of Public Health; Risa Granick, Ed.D., Faculty Representative from the School of Health Professions; Sandra Levison, M.D., Faculty Representative from the School of Medicine and Susanne Palmer, Faculty Representative from the School of Nursing.

III. EDUCATIONAL PRESENTATION

Ms. Wynstra presented information on the Code of Ethics Education Program established at AHERF. This program has been developed for all AHERF employees and will become a part of employee orientation programs at all campuses. Ms. Wynstra noted that the Code has multiple purposes, including to reaffirm the commitment of AHERF to integrity and ethical conduct as a fundamental basis for functioning; to convey to the community AHERF's basic values and commitment to ethical conduct; and to provide a foundation for the conduct of any individual who acts on behalf of the institution.

III. ADDITIONS TO THE AGENDA

There was one addition to the agenda. Dr. McKenna Brown announced that a resolution regarding Authorization to Confer an Honorary Degree would be presented by Dr. Ross under the Report from the Academic Affairs Committee.

IV. GOVERNANCE ISSUES

A. Minutes from the Meeting held on June 20, 1996

Mr. Snyder presented for consideration the Minutes of the meeting of the Board of Trustees of the Medical College of Pennsylvania and Hahnemann University held on June 20, 1996. Upon motion duly made and seconded, the Board of Trustees adopted the following resolution:

RESOLVED, that the Board of Trustees of Allegheny University of the Health Sciences hereby approves the Minutes from the meeting held on June 20, 1996, as presented.

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B. Delaware Valley Board Retreat

Mr. Edelman reported that a Delaware Valley Board Retreat was being planned for March 20, 1997. The topic will be "Emphasis on Quality as a Competitive Edge". The meeting format will include a presentation by Mr. James Orlikoff, a nationally known speaker and author, followed by panel discussions addressing quality issues related to research, education, ambulatory and in-hospital care.

V. REPORT FROM THE ACADEMIC AFFAIRS COMMITTEE

Dr. McKenna Brown presented the Report of the Academic Affairs Committee meetings held on September 24 and November 15, 1996 and introduced the items set forth below which were advanced to the Board for consideration. Dr. McKenna Brown reported that there was one addition to the report: a proposed resolution regarding the awarding of an Honorary Degree at Commencement Exercises. She noted that the item would be presented by Dr. Ross.

A. Authorization to Confer an Honorary Degree

Dr. Ross recommended that an invitation to accept an Honorary Degree at Commencement Exercises on May 23, 1997 be extended to C. Everett Koop, M.D., Sc.D. Dr. Koop is an outstanding Pediatric Surgeon with an international reputation and he has agreed to be the Commencement Speaker for the School of Medicine.

Upon motion duly made and seconded, the Board adopted the following resolution:

RESOLVED, that the Board of Trustees authorizes the President to invite C. Everett Koop, M.D., Sc.D. to accept an Honorary Degree to be conferred upon him by Allegheny University of the Health Sciences at Commencement Exercises on May 23, 1997.

B. Faculty Tenure

Upon recommendation of the Academic Affairs Committee, Dr. McKenna Brown presented for consideration the names of the candidates listed below who were proposed for tenure awards.

Upon motion duly made and seconded, the Board adopted the following resolution:

RESOLVED, that the Board of Trustees of Allegheny University of the Health Sciences, upon the recommendation of the Academic Affairs Committee, approves tenure for the candidates listed below:

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Sarah S. Garber, Ph.D., Associate Professor of Physiology
Jeffrey L. Glassroth, M.D., Professor of Medicine
Dennis R. Grayson, Ph.D., Professor of Psychiatry (AC)
Robert J. Schwartzman, M.D., Professor of Neurology
Feng Y. Tsai, M.D., Professor of Radiologic Sciences
Paul E. Pepe, M.D., Professor of Emergency Medicine (AC)

C. Authorization for Allegheny University of the Health Sciences to Confer Degrees

Upon recommendation of the Academic Affairs Committee, Dr. McKenna Brown presented for ratification the names of the recipients of degrees that were granted on August 31, 1996 from the programs in the School of Health Professions and the School of Nursing. In addition, she requested approval of a list of proposed candidates to be granted degrees in December noting that the list is tentative at this time.

Upon motion duly made and seconded, the Board of Trustees adopted the following resolution:

RESOLVED, that the Board of Trustees of Allegheny University of the Health Sciences ratifies the conferring of degrees, upon such of those students recommended by the Deans and the Faculty of the School of Health Professions and the School of Nursing, and listed in Appendix "A" of this Resolution; and

FURTHER RESOLVED, that the Board of Trustees of Allegheny University of the Health Sciences empowers the President to confer degrees, upon such of those students recommended by the Deans and the Faculty of the School of Health Professions and the School of Nursing, and listed in Appendix "B" of this Resolution, who have successfully completed all requirements for the relevant degree; and

FURTHER RESOLVED, that the Board directs the Secretary to append a copy of the final list of students in each of the above mentioned schools to whom degrees are granted to the original minutes of this meeting.

D. Faculty Bylaw Amendments for the School of Public Health

Upon recommendation of the Academic Affairs Committee, Dr. McKenna Brown presented for consideration the proposed amendments to the Bylaws of the School of Public Health.

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Upon motion duly made and seconded, the Board adopted the following resolution:

RESOLVED, that the Board of Trustees of Allegheny University of the Health Sciences hereby approves the amendments to the School of Public Health Bylaws, as presented; and

FURTHER RESOLVED, that the Secretary of the Corporation is hereby directed to append a copy of the approved amendments to the Allegheny University of the Health Sciences School of Public Health Bylaws to the original minutes of this meeting.

E. Transfer of Research Grants from ASRI to the University

Upon recommendation of the Academic Affairs Committee, Dr. McKenna Brown presented a resolution seeking authorization to accept transfers from Allegheny-Singer Research Institute (ASRI) to Allegheny University of the Health Sciences (the "University") of selected grant and contract responsibilities and the corresponding research administrative support.

Discussion followed. Mr. Abdelhak emphasized that by consolidating the research efforts from all campuses within the University, the research accomplishments of the faculty as a whole would be clarified.

Upon motion duly made and seconded, the Board of Trustees adopted the following resolution:

WHEREAS, Allegheny General Hospital ("AGH") is a nonprofit corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania with Allegheny Health, Education and Research Foundation ("AHERF") its sole Member; and

WHEREAS, Allegheny-Singer Research Institute ("ASRI") is a nonprofit corporation duly organized under the laws of the Commonwealth of Pennsylvania with AHERF as its Class A Member and AGH as its Class B Member; and

WHEREAS, Allegheny University of the Health Sciences (the "University") is a nonprofit corporation and institution of higher learning duly organized and existing under the laws of the Commonwealth of Pennsylvania with AHERF as its sole Member; and

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WHEREAS, ASRI seeks to transfer grants and contracts identified in Exhibit "A" to this Resolution and corresponding research administration support to the University and to make the University responsible and accountable for these grants, contracts and the grant and contract supported projects and activities;

NOW, THEREFORE, THE BOARD OF TRUSTEES OF ALLEGHENY UNIVERSITY OF THE HEALTH SCIENCES HEREBY RESOLVES AS FOLLOWS:

RESOLVED, that the University hereby accepts the transfer of ASRI grants and contracts as identified in Exhibit A and the corresponding research administration support to the University;

FURTHER RESOLVED, that the University agrees that the NIH Grants set forth on Exhibit A and incorporated herein by reference will be transferred on the grant anniversary date to the University as the Successor In Interest for purposes of these transfers from ASRI and that Subagreements be amended after Notice of Award is received, effective on their renewal dates; and

FURTHER RESOLVED, that the University agrees that the NIH Contracts set forth on Exhibit A and incorporated herein by reference will be transferred through the execution of a Novation Agreement by ASRI as the original contractor to the University; and

FURTHER RESOLVED, that the University agrees that after the University is approved by NIH as the Successor in Interest to ASRI for purposes of the transfer of all NIH Subagreements set forth on Exhibit A incorporated herein by reference shall be transferred to the University by means of the contract amendment process. Letters shall be sent to the prime grantees along with a sample amendment and revised Face Page and Checklist of subcontracting site to begin the amendment process; and

FURTHER RESOLVED, that the University agrees that the Department of Education Grants set forth on Exhibit A and incorporated herein by reference will be transferred by ASRI to the University in accordance with the standard guidelines of the Department of Education for transferring grants; and

FURTHER RESOLVED, that ASRI agrees that Federal grants in their last year of funding will not be transferred to the University but will remain in ASRI; and

FURTHER RESOLVED, that ASRI agrees that all non-federal grants set forth on Exhibit A will be transferred by letter sent to each sponsor requesting change effective January 1, 1997; and

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FURTHER RESOLVED, that ASRI agrees that non-federal grants ending prior to January 1, 1997, will not be transferred to the University but will remain in ASRI; and

FURTHER RESOLVED, that ASRI agrees that all Pending Applications for federal and non-federal grants submitted prior to the date of final approval of the transactions will be transferred from ASRI to the University after indication that the application is in competitive range for funding and before a Notice Of Award is issued; and

FURTHER RESOLVED, that the University agrees that all submissions for federal and non-federal grants dated on or after the date of final approval of the transactions, shall be submitted under the name of the University; and

FURTHER RESOLVED, that the University hereby authorizes and directs such University officers and officials as may be necessary to do all such things and take all such actions as may be necessary to carry out the intent of this resolution, contingent upon the approval of the actions described in this Resolution by ASRI, AGH and AHERF.

F. Summary of Actions Taken at the Meeting Held on November 15, 1996

Dr. McKenna Brown summarized the actions taken by the Academic Affairs Committee at their meeting held on November 15, which included the Appointment of two Academic Department Chairs for the School of Medicine and Faculty Changes for the School of Medicine, School of Health Professions, School of Public Health and the School of Nursing.

VI. RECOMMENDATIONS FROM THE RESOURCE MANAGEMENT COMMITTEE

President Abdelhak presented the report of the Resource Management Committee meeting held on November 15, 1996 and introduced the items set forth below which were advanced to the Board for consideration.

A. Audited Financial Statements for the Fiscal Year Ended June 30, 1996

Upon recommendation of the Resource Management Committee, President Abdelhak presented for consideration the Audited Financial Statements for the Fiscal Year Ended June 30, 1996 noting that the financial statements reflect the results of operations and financial position for the Delaware Valley Obligated Group (the Obligated Group), which was created as a result of the recent financing of debt. The Obligated Group is comprised of Allegheny University of the Health Sciences, Allegheny University Hospitals, and St. Christopher's Hospital for Children. The financial statements include supplementary combining information on the components of the Obligated Group.

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Upon motion duly made and seconded, the Board adopted the following resolution:

RESOLVED, that the Board of Trustees of Allegheny University of the Health Sciences approves the Audited Financial Statements for the Fiscal Year ended June 30, 1996, as presented; and directs the Secretary to append a copy of the approved Statements to the original minutes of this meeting.

B. Coopers & Lybrand's No Material Weakness Observations and Internal Control Observations from FY 1996 Audit

Upon recommendation of the Resource Management Committee, President Abdelhak presented the Coopers & Lybrand letter on No Material Weakness Observations and the "Management Letter" for the Delaware Valley Obligated Group, noting that the Auditors have not identified any material weaknesses in the internal control structure for Allegheny University of the Health Sciences.

Upon motion duly made and seconded, the Board adopted the following resolution:

RESOLVED, that the Board of Trustees of Allegheny University of the Health Sciences accepts the Coopers & Lybrand's letter on No Material Weakness Observations, as presented; and instructs the Secretary to append a copy of the accepted letter to the original minutes of this meeting.

C. Summary of Actions Taken at the Meeting Held on November 15, 1996

President Abdelhak summarized the actions taken by the Resource Management Committee at their meeting held on November 15, which included acceptance of the Financial Statements for the three months ended September 30, 1996. He noted that days of revenue in patient accounts receivable decreased during the first quarter and are expected to continue decreasing throughout the fiscal year. The long-term debt ratio increased. The physician services revenue is under budget mainly due to volume levels that are below expectations and rate deterioration due to managed care.

VII. MANAGEMENT REPORT

Report of the Provost

Dr. Ross highlighted items of significant interest at the University level including status reports on activities with regard to the School of Medicine, School of Health Professions, School of Nursing and the School of Public Health. The Provost also discussed the status of the Commonwealth's appropriation to the University for its educational programs for the next fiscal year and the self study process required for continued accreditation of the University by the Middle States Association of Colleges and Schools.

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Discussion followed regarding efforts in process to encourage underrepresented minorities to enter the health professions. It was noted that there were fewer minorities enrolled in medical schools nationally in the last year and Allegheny is well ahead of the national percentages. Mr. Abdelhak reaffirmed AHERF's commitment to minorities and women. It was requested that a report be presented on minority affairs within the University at a future Board meeting.

Mr. Abdelhak highlighted additional management issues. He stated that upon its receipt, the Board would receive a copy of the final written report from the Institutional Review that was held in the fall, and time would be allocated at a future meeting to discuss the suggestions relative to research and education strategies.

Mr. Abdelhak announced the resignation of long-time Board member Leslie Anne Miller and noted her many accomplishments and contributions to the Allegheny system. He reported that AHERF Management was working to resolve the issues with Allegheny College with respect to similarities in nomenclature, and the Board would be apprised of future developments.

Mr. Abdelhak also announced that the Deans were designing a model for the "practitioner of the future". In order to assess AHERF's ability to maintain its leadership position in the future, a model is needed to ascertain the qualities that will be needed in future medical school applicants. There was discussion regarding the increasing influence of economics on the students' ability to apply to such institutions. Mr. Abdelhak stated that it was his hope that an endowment fund be established to increase available funding for scholarships.

VIII. EXECUTIVE SESSION

The Board moved into Executive Session.

A. Goals and Objectives for Fiscal Year 1997

Upon recommendation of the Compensation Committee, President Abdelhak and Dr. Ross presented for consideration the proposed Goals and Objectives for Fiscal Year 1997 for Allegheny University of the Health Sciences.

Upon motion duly made and seconded, the Board of Trustees approved the following resolution:

RESOLVED, that the Board of Trustees of Allegheny University of the Health Sciences approves the Goals and Objectives for Fiscal Year 1997, as presented; and directs the Secretary to append a copy of the approved Goals and Objectives to the original minutes of this meeting.

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B. Annual Review of Management

As mandated by the corporate bylaws, the external trustees met in Executive Session with President Abdelhak to review the performance of management.

ADJOURNMENT

There being no further business, the meeting was adjourned at 12:20 p.m.

Respectfully submitted,

Nancy A. Wynstra, Esq.
Secretary

Noted Attachments: Meeting Notice; List of Students granted degrees from the School of Health Professions and the School of Nursing, Amendments to the School of Public Health Bylaws, Audited Financial Statements for Fiscal Year ended June 30, 1996, Coopers & Lybrand's letter on No Material Weakness, Goals and Objectives for Fiscal Year 1997.

1/1/00

PR-BO-040-01840

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**Meeting of the Board of Trustees
Medical College of Pennsylvania and Hahnemann University Hospital System
Philadelphia, Pennsylvania**

A meeting of the Board of Trustees of the Medical College of Pennsylvania and Hahnemann University Hospital System (MCPHUHS) was held on Thursday, June 20, 1996 at the Medical College of Pennsylvania and Hahnemann University, Center City Campus Board Room. The meeting was called pursuant to notice duly given in accordance with the Bylaws to each member of the Board. A copy of the notice is appended to the original minutes of this meeting.

The following individuals were present:

<u>MEMBERS PRESENT</u>	<u>OTHER INVITEES</u>	<u>MEMBERS ABSENT</u>
Sherif S. Abdelhak	Barbara Atkinson, M.D.	Leonard T. Ebert
George Amrom, M.D.	Lisa Bembenick	Richard Gilmore
William J. Brecht	Beverly Callahan	Robert M. Potamkin, Esq.
Jonathan Butcher	Mary Ann Darragh	Lynn Seltzer Shecter
William T. Duboc	Doreen Denega, Esq.	
Harry R. Edelman, III	Glenda Donoghue, M.D.	
Claire W. Gargalli	Shelley Gebar	
Joseph H. Gillies	Lynn R. Isaacs	
Richard H. Gwinn	Dwight Kasperbauer	
Marvin T. Hunter, M.D.	Christopher Kowalsky	
Donald Kaye, M.D.	David W. McConnell	
Oksana Korzeniowski, M.D.	Meg McGoldrick	
Joseph D. Little, Jr.	Joan M. Mitchell	
Paul D. Neuwirth	Charles P. Morrison	
Leonard L. Ross, Ph.D.	Michael O'Mahoney	
W.P. Snyder, III.	Jean Rocks	
Leon C. Sunstein, Jr.	Anthony M. Sanzo	
Mark Tanker, D.O.	Nancy A. Wynstra, Esq.	
Margaret Gray Wood, M.D.		

I. OPENING OF THE MEETING

The meeting was called to order at 10:05 a.m. by Mr. Edelman who declared that a quorum was present and the meeting was competent to proceed. Nancy A. Wynstra, Esq. maintained the minutes of the meeting.

Mr. Edelman introduced Mary Anne Darragh, Vice President, Allegheny General Hospital; Glenda Donaghue, M.D., Executive Vice Provost, MCPHU; Christopher Kowalsky, Vice President, Information Services, AIHG; and Anthony Sanzo, President and CEO, Allegheny General Hospital.

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II. EDUCATIONAL PRESENTATION

Ms. Wynstra presented information on the Code of Ethics Education Program established at AHERF. This program has been developed for all members of the AHERF family and will become a part of employee orientation programs at all campuses. She noted that the Code has multiple purposes, including to reaffirm the commitment of AHERF to integrity and ethical conduct as a fundamental basis for our functioning; to convey to our community AHERF's basic values and commitment to ethical conduct; and to provide a foundation for the conduct of any individual who acts on behalf of the organization.

III. ADDITIONS TO THE AGENDA

There were no additions to the agenda.

IV. APPROVAL ITEMSA. Governance Issues1. Minutes from the meeting held on December 14, 1995

Mr. Edelman presented the minutes from the meeting held on December 14, 1995.

Upon motion duly made and seconded, the Board of Trustees adopted the following resolution:

RESOLVED, that the Board of Trustees of the Medical College of Pennsylvania and Hahnemann University Hospital System hereby approves the minutes from the meeting held on December 14, 1995, as presented.

2. MCPHUHS Bylaw Amendments

Ms. Wynstra noted that the Corporate Bylaws of the Allegheny System are reviewed each year. Changes are made as appropriate to maintain consistency throughout the organization and to reflect changes in the organization. The most significant changes in the proposed Amendments pertain to delegating more authority to the various committees of the Boards; changing the number of required meetings of the Boards; clarifying that the purchase or sale of real estate must be approved by the Boards and by the Member; clarifying that the "Purposes" of each corporation are as stated in its Articles of Incorporation or any Amendments thereto; and delineating approvals for the appointment and removal of the President and Chief Executive Officer of each corporation.

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Discussion followed regarding delegating certain authority to the Joint Conference and Planning Committee and the Resource Management Committee and certain changes to their designated responsibilities were agreed upon.

Upon motion duly made and seconded, the Board of Trustees adopted the following resolution:

RESOLVED, that the Board of Trustees of the Medical College of Pennsylvania and Hahnemann University Hospital System (MCPHUHS), subject to the approval of Allegheny Health, Education and Research Foundation (AHERF), the Member, hereby adopts amendments to the Bylaws of MCPHUHS, as modified at this meeting, effective upon approval by the Member; and

FURTHER RESOLVED, that the Secretary is authorized and directed to modify the order of the Bylaws as necessary for consistency throughout the organization; and

FURTHER RESOLVED, that the Secretary is directed to append a copy of the Bylaw amendments, as adopted, to the original minutes of the meeting and to restate the Bylaws of the corporation.

B. Recommendations from the Joint Conference and Planning Committee

Ms. Gargalli presented the report from the Joint Conference and Planning Committee meetings held on March 20, 1996 and June 5, 1996, and introduced the items set forth below which were advanced to the Board of Trustees for consideration:

1. Medical Staff Development Plans

a. Clinical Service of Obstetrics/Gynecology

Ms. Gargalli provided an overview of the proposed Plan for the Clinical Service of Obstetrics and Gynecology at the Medical College of Pennsylvania Hospital. It is recommended that the Clinical Service of Obstetrics and Gynecology at the Medical College of Pennsylvania Hospital be open to qualified general practitioners and midwives. With respect to the subspecialties of Gynecological Oncology, Reproductive Endocrinology/Infertility and Maternal Fetal Medicine, it is recommended that these services be limited to physicians salaried by MCPHU.

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Upon motion duly made and seconded, the Board of Trustees adopted the following resolution:

RESOLVED, that the Obstetrics/Gynecology Clinical Service for general practitioners and midwives be OPEN; and

FURTHER RESOLVED, that the Obstetrics/Gynecology Clinical Service in the subspecialty areas of Gynecologic-Oncology, Reproductive Endocrinology/Infertility, and Maternal Fetal Medicine be LIMITED to physicians salaried by MCPHU; and

FURTHER RESOLVED, that the ability to assure adequate volumes for subspecialists in order to maintain the highest levels of clinical competency and provide sufficient volume for teaching and the ability to coordinate scheduling and coverage will be optimized within a single, salaried physician group; and

FURTHER RESOLVED, that candidates are required to be Board Certified or active candidates for their Boards, who will concentrate their practice at MCPH and/or other AHERF hospitals in the Delaware Valley, and who will be committed to the research and/or educational programs of MCPHU.

b. Clinical Service of Allergy/Immunology

Ms. Gargalli provided an overview of the proposed Plan for the Clinical Service of Allergy/Immunology at the Medical College of Pennsylvania Hospital. It is recommended that the Clinical Service of Allergy/Immunology at the Medical College of Pennsylvania Hospital be limited to physicians salaried by MCPHU.

Upon motion duly made and seconded, the Board of Trustees adopted the following resolution:

RESOLVED, that the Allergy/Immunology Clinical Service be LIMITED to physicians salaried by MCPHU; and

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FURTHER RESOLVED, that recruitment will be undertaken only if it can be demonstrated that the ratio between patients and medical staff is sufficient so that each member can maintain the volume of activity necessary to assure an acceptable level of clinical competency and expertise and meet the educational needs of students and residents; and

FURTHER RESOLVED, that candidates are required to be Board Certified or active candidates for their Boards, who will concentrate their practice at MCPH and/or other AHERF hospitals in the Delaware Valley.

c. Clinical Service of Rheumatology

Ms. Gargalli provided an overview of the proposed Plan for the Clinical Service of Rheumatology at the Medical College of Pennsylvania Hospital. It is recommended that the Clinical Service of Rheumatology at the Medical College of Pennsylvania Hospital be limited to physicians salaried by MCPHU.

Upon motion duly made and seconded, the Board of Trustees approved the following resolution:

RESOLVED, that the Rheumatology Clinical Service be LIMITED to physicians salaried by MCPHU; and

FURTHER RESOLVED, that recruitment will be undertaken only if it can be demonstrated that the ratio between patients and medical staff is sufficient so that each member can maintain the volume of activity necessary to assure an acceptable level of clinical competency and expertise and meet the educational needs of students and residents; and

FURTHER RESOLVED, that candidates are required to be Board Certified or active candidates for their Boards, who will concentrate their practice at MCPH and/or other AHERF hospitals in the Delaware Valley.

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d. Clinical Services of Obstetrics/Gynecology, Allergy/Immunology and Rheumatology

Upon motion duly made and seconded, the Board of Trustees approved the following resolution:

RESOLVED, that practitioners who currently hold clinical privileges in the Obstetrics/Gynecology Clinical Service, the Allergy/Immunology Clinical Service and the Rheumatology Clinical Service at MCPH shall continue to exercise those privileges to the extent that each practitioner maintains compliance with appropriate professional standards for continuation of such privileges; and

FURTHER RESOLVED, that the Medical Staff Development Plans hereinabove shall be subject to review in June, 1998 or sooner if warranted.

2. Report of the Executive Medical Board

a. Medical Staff Credentialling Items

Ms. Gargalli presented the reports of the Executive Medical Board from the Joint Conference and Planning Committee meetings held on March 20, 1996 and June 5, 1996 and recommended for approval the following medical staff credentialling items relative to certain members of the Medical Staff of the Medical College of Pennsylvania Hospital, as well as recommendations for privileges for Allied Health Practitioners.

Upon motion duly made and seconded, the Board of Trustees approved the following resolutions:

APPOINTMENT TO PROVISIONAL STAFF:

RESOLVED, that the Board of Trustees of Medical College of Pennsylvania and Hahnemann University Hospital System approves the appointment of the following individuals as members of Medical College of Pennsylvania Hospital Medical Staff in provisional status with clinical privileges as recommended:

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<u>Name of Practitioner</u>	<u>Clinical Service/Division</u>	<u>Staff Category</u>
Paul C. Anisman, MD	Pediatrics/Cardiology	Active
S. Ausim Azizi, MD	Neurology	Active
Mary Anne Delaney, MD	Psychiatry	Active
Pataleone DeMasi, MD	Medicine/General	Active
	Medicine	
Carol Fleischman, MD	Medicine/General	Active
	Medicine	
Paul Grena, DO	Medicine/Cardiology	Active
Daniel Guilfoil, MD	OB/Gyn	Active
Althea Hankins, MD	Medicine/General	Active
	Medicine	
Johannes Jones, MD	OB/Gyn	Active
Lewis J. Kaplan, MD	Surgery/General	Active
Harminder Kaur, MD	Medicine/General	Active
	Medicine	
Bruce Kornberg, DO	Medicine/Cardiology	Active
Rosemary Kozar, MD	Surgery/General	Active
Russell Maulitz, MD	Medicine/General	Active
	Medicine	
Robert Mermer, DDS	Dental Medicine/Surgery	Active
Bizhan Micaily, MD	Radiation Oncology	Active
Parvaneh Ravandoost, MD	Medicine/General	Active
	Medicine	
Bradley Robinson, MD	Pediatrics/Cardiology	Active
Bradley Schwartz, MD	Ophthalmology	Active
Barry Singer, MD	Medicine/Hematology-	Active
	Oncology	
Antonio Sison, MD	OB/Gyn	Active
Brian Steele, DO	Medicine/General	Active
	Medicine	
Gail Sullivan, MD	OB/Gyn	Active
Richard Watson, DO	Medicine/General	Active
	Medicine	

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TRANSFER FROM PROVISIONAL STATUS:

RESOLVED, that the Board of Trustees of the Medical College of Pennsylvania and Hahnemann University Hospital System approves the transfer of the following practitioner, who has successfully completed the provisional period, to regular appointment on the Medical College of Pennsylvania Hospital Medical Staff in the staff category indicated with clinical privileges as recommended:

<u>Practitioner</u>	<u>Clinical Service/Division</u>	<u>Staff Category</u>
Michael Hicks, MD	Emergency Medicine	Active

TRANSFER IN STAFF STATUS:

RESOLVED, that the Board of Trustees of the Medical College of Pennsylvania and Hahnemann University Hospital System approves transfer in staff status for the following practitioners as indicated on the Medical College of Pennsylvania Hospital Medical Staff:

<u>Name of Practitioner</u>	<u>Clinical Service/Division</u>	<u>Staff Category</u>
Rosalinda DiRenzo, MD	Emergency Medicine	Active to Affiliated
Joel Kramer, MD	OB/Gyn	Affiliated to Active
George Simpson, MD	Psychiatry	Active (resignation rescinded)

REAPPOINTMENTS:

RESOLVED, that the Board of Trustees of the Medical College of Pennsylvania and Hahnemann University Hospital System approves reappointment of the following practitioner with clinical privileges as delineated:

<u>Name of Practitioner</u>	<u>Clinical Service/Division</u>	<u>Staff Category</u>
Arnold Weisgold, MD	Dental Medicine	Affiliated

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OTHER HEALTH PROFESSIONALS:

RESOLVED, that the Board of Trustees of the Medical College of Pennsylvania and Hahnemann University Hospital System grants permission for the following Other Health Professionals to provide patient care services as delineated:

<u>Name of Practitioner</u>	<u>Clinical Service</u>	<u>Category</u>
Deborah Appleyard, CNM	OB/Gyn	Nurse Midwife
Katy Dawley, CNM	OB/Gyn	Nurse Midwife
Jane Greene, CNM	OB/Gyn	Nurse Midwife
Paul Logan, MSN,RN,CS,CRNP	Medicine/Cardiology	Nurse Practitioner
Melissa Sapiro, CNM	OB/Gyn	Nurse Midwife

Upon motion duly made and seconded, the Board of Trustees approved the following resolutions:

APPOINTMENT TO PROVISIONAL STAFF:

RESOLVED, that the Board of Trustees of Medical College of Pennsylvania and Hahnemann University Hospital System approves the appointment of the following individuals as members of Medical College of Pennsylvania Hospital Medical Staff in provisional status with clinical privileges as recommended:

<u>Name of Practitioner</u>	<u>Clinical Service/Division</u>	<u>Staff Category</u>
Endla Anday, MD	Pediatrics	Active
Carol Andersen, MD	Pediatrics	Active
Diane Barsky, MD	Pediatrics	Active
Kenneth Casey, MD	Neurosurgery	Active
Christine Chung, MD	Ophthalmology	Active
Mara J. Crans, MD	Pediatrics	Active
Josepha Devaro, MD	Dermatology	Active
Jan Gopelrud, MD	Pediatrics	Active
Jan Horrow, MD	Anesthesiology	Active
Ami Iskandrian, MD	Medicine/Cardiology	Active
Andrew Jasek, MD	Medicine/Geriatrics	Active
Kevin Kelly, MD	Pediatrics	Active
Bradford Lin, MD	Medicine/Cardiology	Active

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APPOINTMENT TO PROVISIONAL STAFF (Cont'd):

<u>Name of Practitioner</u>	<u>Clinical Service/Division</u>	<u>Staff Category</u>
Michael Loftus, DDS	Surgery/Oral & Maxillofacial	Active
Patricia Loudis, MD	Neurology	Active
Daniel J. McCormick, MD	Medicine/Cardiology	Active
Powers Peterson, MD	Pathology	Active
Jeffrey Rosensweig, MD	Pediatrics	Active
Howard Rosner, MD	Medicine/Cardiology	Active
Michael Spence, MD	Obstetrics & Gynecology	Active
	Community & Preventive Medicine	
Robert Schwartzman, MD	Neurology	Active
Fong T. Tsai, MD	Radiologic Sciences	Active

ALLIED HEALTH PRACTITIONERS:

RESOLVED, that the Board of Trustees of the Medical College of Pennsylvania and Hahnemann University Hospital System grants permission for the following Allied Health Practitioners to provide patient care services as delineated:

<u>Name of Practitioner</u>	<u>Clinical Service</u>	<u>Category</u>	<u>Supervision</u>
Janet M. Kaye, Ph.D.	Family Medicine	Psychologist	
Sara E. Lodge, CNM	OB/Gyn	Nurse	
Katherine McCluskey, PAC	Neurosurgery	Physician	Kenneth
		Assistant	Casey, MD
Adelle O'Neill, CNM	OB/Gyn	Nurse	
		Midwife	
Kenneth Podell, Ph.D.	Psychiatry	Psychologist	
Laurie Roselli, CRNP	Pediatrics	Nurse	
Kenneth Stein, DPM	Orthopedic	Practitioner	
		Podiatrist	

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b. Amendments to Medical/Dental Staff Bylaws

Ms. Gargalli presented the proposed amendments to the Medical/Dental Staff Bylaws and Rules and Regulations.

Upon motion duly made and seconded, the Board of Trustees approved the following resolution:

RESOLVED, that the Board of Trustees of the Medical College of Pennsylvania and Hahnemann University Hospital System hereby approves the revised and restated Medical/Dental Staff Bylaws and Rules/Regulations of the Medical College of Pennsylvania Hospital Medical/Dental Staff; and

FURTHER RESOLVED, that the Secretary of the corporation is hereby directed to append a copy of the approved amendments to the Medical College of Pennsylvania Hospital Medical/Dental Staff Bylaws to the original minutes of this meeting.

3. Quality Assessment

a. Quality Assessment Quarterly Report for the Period January through March, 1996

Ms. Gargalli presented the Medical College of Pennsylvania Hospital Quality Assessment Quarterly Report for the period January through March, 1996.

Upon motion duly made and seconded, the Board of Trustees approved the following resolution:

RESOLVED, that the Board of Trustees of the Medical College of Pennsylvania and Hahnemann University Hospital System approves the Medical College of Pennsylvania Hospital Quality Assessment Quarterly Report for the period January through March, 1996, as presented; and directs the Secretary to append a copy of the approved report to the original minutes of this meeting.

b. Annual Review of the Quality Improvement Program Plan

Ms. Gargalli presented the Quality Improvement Program Plan for the Medical College of Pennsylvania Hospital.

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Upon motion duly made and seconded, the Board of Trustees approved the following resolution:

RESOLVED, that the Board of Trustees of the Medical College of Pennsylvania and Hahnemann University Hospital System approves the Quality Improvement Program Plan for the Medical College of Pennsylvania Hospital, as presented; and directs the Secretary to append a copy of the approved Plan to the original minutes of this meeting.

4. Utilization Management

Annual Review of the Utilization Management Plan

Ms. Gargalli presented the Utilization Management Plan for the Medical College of Pennsylvania Hospital.

Upon motion duly made and seconded, the Board of Trustees approved the following resolutions.

RESOLVED, that the Board of Trustees of the Medical College of Pennsylvania and Hahnemann University Hospital System approves the Utilization Management Plan for the Medical College of Pennsylvania Hospital as presented; and directs the Secretary to append a copy of the approved Plan to the original minutes of this meeting.

5. Safety Management

a. Annual Report on the Safety Management Program and 1996 Objectives

Ms. Gargalli presented the Annual Report on the Safety Management Program and 1996 Objectives for the Medical College of Pennsylvania Hospital.

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Upon motion duly made and seconded, the Board of Trustees approved the following resolution:

RESOLVED, that the Board of Trustees of the Medical College of Pennsylvania and Hahnemann University Hospital System approves the annual evaluation of the past year's safety management efforts at the Medical College of Pennsylvania Hospital, including the quarterly statistics for the period October through December, 1995, and the 1996 Objectives, as presented in the Annual Report on the Safety Management Program; and directs the Secretary to append a copy of the approved report to the original minutes of this meeting.

b. Quarterly Safety Report for the Period January through March, 1996

Ms. Gargalli presented the Medical College of Pennsylvania Hospital Quarterly Safety Report for the period January through March, 1996.

Upon motion duly made and seconded, the Board of Trustees approved the following resolution:

RESOLVED, that the Board of Trustees of the Medical College of Pennsylvania and Hahnemann University Hospital System approves the Medical College of Pennsylvania Hospital Quarterly Safety Report for the period January through March, 1996, as presented; and directs the Secretary to append a copy of the approved report to the original minutes of this meeting.

6. Appointment of Hospital System Chiefs

Ms. Gargalli presented the list of individuals recommended for appointment as Hospital System Chiefs for the individual clinical services within the hospital system for a period of one year, with all appointments taking effect July 1, 1996.

Upon motion duly made and seconded, the Board of Trustees approved the following resolution:

RESOLVED, that the Board of Trustees of the Medical College of Pennsylvania and Hahnemann University Hospital System ("MCPHUHS") approves the individuals recommended by the President and Chief Executive Officer of MCPHUHS for the position of Hospital System Chief for the academic year beginning July 1, 1996; and

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FURTHER RESOLVED, that the Board directs the Secretary to append the names of the individuals so approved, to the original minutes of this meeting.

7. Appointment of Clinical Service Chiefs

Ms. Gargalli presented for consideration the list of individuals recommended for appointment as Clinical Service Chiefs for the individual clinical departments at the Medical College of Pennsylvania Hospital, for a period of one year, with all appointments taking effect July 1, 1996.

Upon motion duly made and seconded, the Board of Trustees approved the following resolution:

WHEREAS, the Board of Trustees of the Medical College of Pennsylvania and Hahnemann University Hospital System ("MCPHUHS") is responsible for overseeing the administration and management of clinical services at the Medical College of Pennsylvania Hospital ("MCPH"); and

WHEREAS, the Board is required to appoint service chiefs periodically to oversee and coordinate the activities of the clinical services of MCPH;

NOW THEREFORE, BE IT RESOLVED, that the Board of Trustees of the Medical College of Pennsylvania and Hahnemann University Hospital System hereby approves the appointment of those persons named on Exhibit "A" which is attached hereto and incorporated herein by reference, as chiefs of the services at MCPH specified in Exhibit "A" for a one (1) year term beginning on July 1, 1996; and

FURTHER RESOLVED, that the Secretary is hereby directed to append a copy of Exhibit "A" attached hereto and incorporated herein by reference to the original minutes of this meeting.

C. Finance

1. Results of Operations and Financial Statements for the Nine Months Ended March 31, 1996

Dr. Kaye presented the results of operations and the financial statements for the nine months ended March 31, 1996. He reviewed the year-to-date admissions, patient days and average length of stay for the hospital system. Mr. Morrison reviewed the

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consolidated balance sheet and highlighted information on accounts receivable, funded depreciation and line of credit borrowings. Mr. Abdelhak discussed the impact of the AIHG physician practices, the CAT fund surcharge and the reduction in Medicaid reimbursement on the hospital system budget.

Upon motion duly made and seconded, the Board of Trustees approved the following resolution:

RESOLVED, that the Board of Trustees of the Medical College of Pennsylvania and Hahnemann University Hospital System accepts the financial statements for the nine months ended March 31, 1996, as presented; and instructs the Secretary to append a copy of the accepted Statements to the original minutes of the meeting.

2. Fiscal Year 1997 Operating and Capital Budgets

Mr. Morrison reviewed the FY 1997 Operating and Capital Budgets. He reviewed the consolidated statement of financial position as of June 30, 1996 which included both the projected outcome for FY 96 and the proposed budget for FY 97. He discussed the impact on growth of activity and programs in a cost control environment.

Upon motion duly made and seconded, the Board of Trustees approved the following resolution:

RESOLVED, that the Board of Trustees of the Medical College of Pennsylvania and Hahnemann University Hospital System contingent upon approval by the Member, approves the proposed Operating and Capital Budget for Fiscal Year 1997, as presented; and directs the Secretary to append a copy of the approved Budget to the original minutes of this meeting.

3. Enhancement of Physical Therapy and Rehabilitation Services

Ms. McGoldrick discussed the recent completion of negotiations with HealthSouth Corporation regarding the management of inpatient and outpatient rehabilitation services at the Medical College of Pennsylvania Hospital. Dr. Kaye discussed the benefits and reasons for the transactions, noting that Management has determined that the sale of certain off-campus units to HealthSouth would be in the best interests of the Allegheny health care system and the patients who utilize these services. The sale will be at a fair market value.

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Upon motion duly made and seconded, the Board of Trustees approved the following resolution:

WHEREAS, Medical College of Pennsylvania and Hahnemann University Hospital System ("MCPHUHS") and Hahnemann University Hospital own certain off-campus physical therapy centers in Philadelphia, known as the Hahnemann Outpatient Physical Therapy Department, the Joe Torg Center for Sports Medicine and Athletic Rehabilitation Center, and the Delaware Valley Sports Medicine Center (the "Centers"), and Allegheny United Hospitals, Inc. operates two inpatient rehabilitation units and two outpatient physical therapy centers, located at Bucks County Hospital and Elkins Park Hospital (the "On-Campus Units");

WHEREAS, management has determined that it is, in the best interest for the Centers to be sold to HealthSouth and the On-Campus Units to be managed by HealthSouth, and acting on behalf of MCPHUHS and the other respective corporations, the respective officers have executed an Agreement of Sale, a Management Agreement and certain other documents effectuating the HealthSouth Transactions (the "HealthSouth Documents"), subject to the subsequent approval by the Board of Trustees of MCPHUHS and the other respective corporations;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees of MCPHUHS hereby approves, confirms, and ratifies the HealthSouth Transactions and the execution of the HealthSouth Documents;

FURTHER RESOLVED, that the Board hereby authorizes and directs management of MCPHUHS to take all such actions as shall be necessary to effectuate the terms of the HealthSouth Transactions and to satisfy any conditions that management may determine are reasonably required to permit confirmation, consummation, and ratification of the HealthSouth Transactions pursuant to the HealthSouth Documents;

FURTHER RESOLVED, that the officers of MCPHUHS are hereby authorized and directed to do all such things and take all such actions as shall be reasonably necessary to consummate and accomplish the HealthSouth Transactions, including without limitation, the execution and delivery of such other instruments as shall be necessary.

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IV. INFORMATIONAL ITEMS

A. Finance

1. Annual Report on Capital Reimbursement Activity

Mr. Morrison presented the capital reimbursement activity for FY 1996. This information is provided to the Board of Trustees to assure that decisions made by management about the use of tax exempt debt are made in a responsible manner and follow U.S. Treasury regulations.

2. Accounts Receivable Report

Mr. Morrison provided information regarding the consolidation of the accounts receivable and patient accounting departments for AHERF and in particular the Delaware Valley region.

B. Human Resources

Climate Report

Mr. Kasperbauer provided information on the human resources trends and issues affecting AHERF's adult hospital system in the Delaware Valley. Based on the statistics and information reported, the educational initiatives planned seem appropriate to meet the needs identified.

C. Information Services

1. Annual Report on Information Services

Mr. Kowalsky provided a report on the information services activities for Fiscal Year 1996.

2. Academic and Clinical Informatic Plans

Ms. Darragh provided an overview of the academic and clinical informatics plans for AHERF. She stated that the overall benefits of this project are to enhance the patient's experience; to provide the ability to obtain all patient information from any computer terminal/site within the hospital setting; to assess efficiency and effectiveness of the healthcare delivery system; and, to develop a data repository for clinicians.

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This project will take approximately 4 years to complete and will cost approximately \$6 million.

D. Fund Development

Mr. O'Mahoney provided a status report on fund development through April 30, 1996. The report included information on cash flow, fund raising projections for FY 1997 and a calendar of upcoming fund development events of interest to Board members.

V. MANAGEMENT REPORTS

Report from the President and CEO

Dr. Kaye presented his report to the Board of Trustees regarding activities within the Medical College of Pennsylvania and Hahnemann University Hospital System. He stated there would be a meeting in the near future with representatives of Forbes Health System regarding a possible consolidation with AHERF and requested participation from the hospital system trustees in addressing any questions or concerns from the Forbes Board members at this meeting.

ADJOURNMENT

There being no further business, the meeting was adjourned at 12:05 p.m.

Respectfully submitted,

Nancy A. Wynstra, Esq.
Secretary

Noted Attachments: MCPHUHS Bylaw Amendments; Medical College of Pennsylvania Hospital Medical Staff Development Plans; Medical College of Pennsylvania Hospital Amendments to Medical/Dental Staff Bylaws; Medical College of Pennsylvania Hospital Quality Assessment Quarterly Report; Medical College of Pennsylvania Hospital Quality Improvement Program Plan; Medical College of Pennsylvania Hospital Utilization Management Plan; Medical College of Pennsylvania Hospital Annual Report on Safety Management Program; Medical College of Pennsylvania Hospital Quarterly Safety Report; MCPHUHS Hospital System Chief Appointment List; Medical College of Pennsylvania Hospital Clinical Service Chief Appointment List; Results of Operations and Financial Statements for the Nine Months Ended March 31, 1996; Operating and Capital Budgets for Fiscal Year 1997.

:bc

PR-BO-089-01248

DVR:46073.1

Common Pleas Subpoena

X 120-30

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF BLAIR

Plaintiff

VS

NO. _____ of 20 _____

Defendant

To _____
Name(s) of Witness(es)

1. You are ordered by the Court to come to _____
(Specify Courtroom or other place)

at _____ Pennsylvania, on _____ at _____ o'clock _____.m., to
testify on behalf of _____ in the above case, and to remain
until excused.

2. And bring with you the following: _____

If you fail to attend or to produce the documents or things required by this
subpoena, you may be subject to the sanctions authorized by Rule 234.5 of the
Pennsylvania Rules of Civil Procedure, including but not limited to costs, attorney
fees and imprisonment.

Issued by:

(State attorney's name, address, telephone no., & identification no.)

BY THE COURT,

By: Carol A. Newman

Date: _____
Seal of the Court

Official Note: This form of subpoena shall be used whenever a subpoena is issuable,
including hearings in connection with depositions and before arbitrators, masters,
commissioners, etc.

If a subpoena for production of documents, records or things is desired, complete
paragraph 2.

Common Pleas Subpoena

X 120-30

COMMONWEALTH OF PENNSYLVANIA

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